

# WORK INCENTIVES IN SOCIAL SECURITY DISABILITY PROGRAMS

---

## JOINT HEARING BEFORE THE SUBCOMMITTEE ON SOCIAL SECURITY AND SUBCOMMITTEE ON HUMAN RESOURCES OF THE COMMITTEE ON WAYS AND MEANS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED TWELFTH CONGRESS FIRST SESSION

SEPTEMBER 23, 2011

**Serial No. 112–SS10 & 112–HR08**

Printed for the use of the Committee on Ways and Means



U.S. GOVERNMENT PRINTING OFFICE

75–187

WASHINGTON : 2012

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

## COMMITTEE ON WAYS AND MEANS

DAVE CAMP, Michigan, *Chairman*

WALLY HERGER, California  
SAM JOHNSON, Texas  
KEVIN BRADY, Texas  
PAUL RYAN, Wisconsin  
DEVIN NUNES, California  
PATRICK J. TIBERI, Ohio  
GEOFF DAVIS, Kentucky  
DAVID G. REICHERT, Washington  
CHARLES W. BOUSTANY, JR., Louisiana  
PETER J. ROSKAM, Illinois  
JIM GERLACH, Pennsylvania  
TOM PRICE, Georgia  
VERN BUCHANAN, Florida  
ADRIAN SMITH, Nebraska  
AARON SCHOCK, Illinois  
LYNN JENKINS, Kansas  
ERIK PAULSEN, Minnesota  
KENNY MARCHANT, Texas  
RICK BERG, North Dakota  
DIANE BLACK, Tennessee  
TOM REED, New York

SANDER M. LEVIN, Michigan  
CHARLES B. RANGEL, New York  
FORTNEY PETE STARK, California  
JIM MCDERMOTT, Washington  
JOHN LEWIS, Georgia  
RICHARD E. NEAL, Massachusetts  
XAVIER BECERRA, California  
LLOYD DOGGETT, Texas  
MIKE THOMPSON, California  
JOHN B. LARSON, Connecticut  
EARL BLUMENAUER, Oregon  
RON KIND, Wisconsin  
BILL PASCRELL, JR., New Jersey  
SHELLEY BERKLEY, Nevada  
JOSEPH CROWLEY, New York

Jon Traub, *Staff Director*

Janice Mays, *Minority Staff Director*

---

### SUBCOMMITTEE ON SOCIAL SECURITY

SAM JOHNSON, Texas, *Chairman*

KEVIN BRADY, Texas  
PATRICK J. TIBERI, Ohio  
AARON SCHOCK, Illinois  
RICK BERG, North Dakota  
ADRIAN SMITH, Nebraska  
KENNY MARCHANT, Texas

XAVIER BECERRA, California, *Ranking*  
LLOYD DOGGETT, Texas  
SHELLEY BERKLEY, Nevada  
FORTNEY PETE STARK, California

---

### SUBCOMMITTEE ON HUMAN RESOURCES

GEOFF DAVIS, Kentucky, *Chairman*

ERIK PAULSEN, Minnesota  
RICK BERG, North Dakota  
TOM REED, New York  
TOM PRICE, Georgia  
DIANE BLACK, Tennessee  
CHARLES W. BOUSTANY, JR., Louisiana

LLOYD DOGGETT, Texas, *Ranking*  
JIM MCDERMOTT, Washington  
JOHN LEWIS, Georgia  
JOSEPH CROWLEY, New York

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Ways and Means are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

# CONTENTS

	Page
Advisory of September 23, 2011, announcing the hearing .....	2
WITNESSES	
Robert W. Williams, Associate Commissioner, Office of Employment Support Programs, accompanied by Dr. Robert R. Weathers II, Deputy Associate Commissioner, Office of Program Development and Research, Social Secu- rity Administration .....	10
Daniel Bertoni, Director, Education, Workforce, and Income Security Issues, U.S. Government Accountability Office .....	23
Deb Russell, Manager, Outreach and Employee Services, Walgreen Company, Deerfield, Illinois .....	44
James Hanophy, Assistant Commissioner, Texas Department of Assistive and Rehabilitative Services, Austin, Texas, on behalf of the Council of State Administrators of Vocational Rehabilitation .....	55
Cheryl Bates-Harris, Senior Disability Advocacy Specialist, National Dis- ability Rights Network, on behalf of the Consortium for Citizens with Disabilities Employment and Training Task Force .....	70
John Kregel, Professor, Special Education and Disability Policy, Virginia Commonwealth University, Richmond, Virginia .....	88
SUBMISSIONS FOR THE RECORD	
Arizona Bridge to Independent Living, statement .....	270
Corporation for Enterprise Development, statement .....	278
Linda Landry, statement .....	281
Health and Disability Advocates, statement .....	283
National Association of Benefits and Work Incentives Specialists, statement ..	294
National Disability Rights Network, statement .....	297
Oregon Department of Human Services Office of Vocational Rehabilitation Services, statement .....	300
Steve Kofahl, statement .....	301
APSE, statement .....	304





## **WORK INCENTIVES IN SOCIAL SECURITY DISABILITY PROGRAMS**

---

**FRIDAY, SEPTEMBER 23, 2011**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
SUBCOMMITTEE ON SOCIAL SECURITY,  
SUBCOMMITTEE ON HUMAN RESOURCES,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 9:05 a.m., in room 1100, Longworth House Office Building, Hon. Sam Johnson (Chairman of the Subcommittee on Social Security), presiding.  
[The advisory announcing the hearing follows:]

# ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

## SUBCOMMITTEE ON SOCIAL SECURITY AND SUBCOMMITTEE ON HUMAN RESOURCES

FOR IMMEDIATE RELEASE  
September 23, 2011  
SS-10 & HR-08

CONTACT: (202) 225-1721

### **Chairman Johnson and Chairman Davis Announce a Joint Hearing on Work Incentives in Social Security Disability Programs**

U.S. Congressman Sam Johnson (R-TX), Chairman of the House Committee on Ways and Means Subcommittee on Social Security, and U.S. Congressman Geoff Davis (R-KY), Chairman of the House Committee on Ways and Means Subcommittee on Human Resources, announced today that the Subcommittees will hold a joint oversight hearing on work incentives in Social Security disability programs. **The hearing will take place on Friday, September 23, 2011, in room 1100, Longworth House Office Building, beginning at 9 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of invited witnesses will follow.

#### **BACKGROUND:**

The Social Security Administration (SSA) administers two programs, Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), which together provide benefits each year to nearly 14 million beneficiaries unable to work because of severe disabling conditions. The SSDI program pays benefits to those who have sufficient past employment covered by Social Security to qualify. The SSI program pays benefits to those who currently have limited income and assets, regardless of prior work history.

After being awarded benefits based on an inability to work, individuals may attempt to return to work and are offered a variety of programs and supports provided by the SSA. In the most recent beneficiary survey, 40 percent of beneficiaries were interested in working, yet in 2009, only one half of 1 percent left the rolls to return to work. The experience of a cohort of new SSDI beneficiaries tracked over 10 years showed that nearly 30 percent worked at some time, and 6.5 percent were able to sustain earnings sufficient to have their benefits suspended.

The Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170) established the Ticket to Work and Self-Sufficiency program, expanded the availability of health care coverage, and provided for demonstration projects and studies. The Ticket to Work program, administered by the SSA, increases choice in obtaining rehabilitation and vocational services, and provides greater opportunities for SSDI and SSI recipients to receive assistance to help them return to work.

Services are furnished through the current system of State Vocational Rehabilitation (VR) agencies or a ticket holder's choice of an approved public or private sector, program-specific Employment Network (EN) to assist them in entering or re-entering the workforce. When the ticket program was implemented, the SSA automatically issued tickets to most adult beneficiaries on the rolls, and has continued to issue them to new beneficiaries. Through June of this year, according to the SSA,

of the approximately 12.7 million tickets that have been issued since the program's inception, 290,189 or approximately 2.3 percent have been assigned to an EN or VR agency.

In July 2008, the SSA made major regulatory changes to the Ticket to Work program in an effort to increase participation by ENs and beneficiaries. These changes, however, have not been in place long enough for an accurate assessment of their impact. However, a May 2011 Government Accountability Office (GAO) assessment concluded "at this time, the agency [SSA] still lacks critical management and oversight mechanisms to assess whether the program is achieving its original purpose, and ultimately, whether the program is viable."

The Ticket to Work Act also authorized two programs now known as the Work Incentive Planning and Assistance (WIPA) program and the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program. Under the WIPA program, SSA funds community-based organizations to assist beneficiaries in understanding and utilizing SSA's complex work incentives policies. Under the PABSS program, SSA funds protection and advocacy systems to provide assistance to help beneficiaries secure, maintain, or regain employment. The authorization for both programs will expire on September 30, 2011, but existing funding permits WIPAs to continue providing services until June 30, 2012 and PABSS programs to continue serving their clients until February 29, 2012.

SSA is also developing or conducting several demonstration projects to test new work incentive policies for Social Security disability beneficiaries, including a sliding scale benefit reduction. However, because SSA's demonstration authority for disability insurance beneficiaries expired in December 2005, SSA can continue demonstrations already initiated, but cannot begin new projects. Reports issued by the GAO in 2004 and 2008 raised concerns about SSA's management of its demonstration projects. The President's FY 2012 budget included a proposal to reauthorize for 5 years SSA's demonstration authority for the DI program and require the Commissioner to conduct a demonstration project testing alternative methods of treating work activity by DI beneficiaries.

Last, past testimony before the Subcommittees has reported that former beneficiaries have been overpaid tens of thousands of dollars due to SSA's delays in terminating benefits, even if beneficiaries have informed the agency that they are working. The threat of receiving large overpayments, which must later be repaid, can be a significant work disincentive for disability beneficiaries.

In announcing the hearing, Chairman Sam Johnson (R-TX) stated, **"Those receiving disability benefits who want to work are looking for a hand up, not a hand out, to help them achieve a better life for themselves and their families. Now, more than ever, how every taxpayer dollar is spent matters. Programs that don't achieve results must be changed or must end. This hearing will help us determine whether the work incentive programs are getting those who can back to work and a life of self sufficiency."**

Chairman Geoff Davis (R-KY) went on to add, **"Work lets individuals build a better life for themselves and their families. We should help individuals with disabilities who want to work to achieve that better life. That starts with reviewing what we are doing now to assist individuals with disabilities who want to work, and then holding SSA and its work incentive programs more accountable for improving on and achieving that critical goal."**

#### **FOCUS OF THE HEARING:**

The hearing will focus on the current work incentives in the SSDI and SSI programs, their impact on the number of individuals exiting the benefit roles, including the data and reports documenting such impact. The Subcommittees will also examine recommended performance standards to guide future evaluations of work incentives programs, with particular focus on Ticket to Work, WIPA, PABSS, and Vocational Rehabilitation Services. In addition, ongoing and proposed SSDI demonstration projects will also be reviewed.

#### **DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

**Please Note:** Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “*Click here to provide a submission for the record.*” Once you have followed the online instructions, submit all requested information. **ATTACH** your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, **by the close of business on Friday, October 7, 2011.** Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225–1721 or (202) 225–3625.

#### **FORMATTING REQUIREMENTS:**

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

**Note:** All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov>.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202–225–1721 or 202–226–3411 TDD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

---

Chairman JOHNSON. Good morning. We had a late night last night, and some of our guys haven’t woken up yet.

But this hearing will come to order. I welcome and thank Chairman Davis and Ranking Member Doggett and the Members of the Subcommittee on Human Resources for joining us in this joint hearing.

Our Nation’s most vulnerable citizens are at the center of a perfect storm. Record deficits, a still struggling economy, and an unsustainable future spending path, driven by the aging of Americans, all threaten the essential programs those with disabilities count on. We have been warned by the Social Security trustees that the disability insurance program will soon be unable to pay full benefits beginning just 7 years from now, in 2018. Those who

depend on these critical benefits are counting on us to act, and we will.

This Committee will soon hold hearings on the many challenges facing Social Security disability. Today we turn to the issue of helping those already receiving benefits who want to work. To achieve that end, Social Security administers a number of work-incentive programs. Congress established the current State Vocational Rehabilitation Reimbursement program—that is a mouthful, isn't it—in 1981 to encourage State vocational rehabilitation agencies to provide services that would result in work by disability beneficiaries. Last year, Social Security paid over \$100 million for these services.

In 1999, Congress passed the Ticket to Work and Work Incentives Improvement Act to make it easier for beneficiaries to return to work. The Ticket program allows beneficiaries to choose a public- or private-sector service provider, known as an employment network, to get the training and support they need to find jobs, which, in turn, leads to benefit savings because they leave the benefit rolls, theoretically.

Two grant programs were also created as part of the Ticket legislation. One helps beneficiaries understand Social Security's complex rules, and the other assists in the resolution of potential disputes with employers. The authorization for these two programs expires September 30, though their funding continues until the next year.

So where are we today? As we will soon hear, while there is some progress to report, the results are disappointing, and problems remain. A recent report by the GAO found Social Security's oversight and management of the Ticket to Work program isn't where it needs to be. For example, certain employment networks were telling ticket holders how they could work and keep their full benefits. This is simply unacceptable. Other employment networks are increasingly splitting the Ticket payment with beneficiaries while providing no direct services.

At the same time, I have seen for myself how beneficiaries and employers benefit when the system works. While back home this August, I visited the Walgreens distribution center in Waxahachie, Texas. There, with the help of the Texas Department of Assistive and Rehabilitative Services, those with disabilities, including former beneficiaries, work side by side with other workers doing the same job for the same pay with the same performance. I look forward to hearing more of their inspiring stories today.

Despite these and other work incentives, the fact is less than half of 1 percent of those receiving disability has left the benefit rolls to work. Now more than ever, how every taxpayer dollar is spent matters. Programs that don't achieve results must be fixed, or they must end. The question we must answer today is how work incentives can achieve the results Congress and the taxpayers expect and those with disabilities deserve.

I now recognize Mr. Doggett, the Ranking Member of the Subcommittee on Human Resources, for his opening statement.

Mr. DOGGETT. Well, thank you very much, Chairman Johnson, Chairman Davis. And to all of our witnesses this morning, we look forward to hearing from you.

I think we all want a system here where any American who wants to work can work, and recognize that our workforce needs to provide a range of services or of functional levels so that we can make reasonable accommodation, where necessary, to allow those who have limitations and disabilities to participate to the full extent of their disability. We must also recognize that there are some people who have a disabling condition that is so severe that they cannot participate in the workforce. Those who are unable to work must have the guarantee of a safety net that is more net than hole and that helps them live in dignity.

As the recent U.S. census data indicates, we have an increasing number of individuals with disabilities who are poor. Nearly 30 percent of people who suffer from a disability live in poverty today in the United States. And to some extent, with reference to the Supplemental Security Income program, that is because the payment is not overly generous. Last year, the monthly benefit was a little less than \$500 on the average, which would carry you to just a little over half of the poverty measure, according to the Congressional Research Service. The majority of those who receive SSI have a disability that is expected to last at least a year or result in death, and renders them incapable of performing a substantial level of work. So it is not surprising that those who are on SSI, receiving those limited benefits, may have difficulty or it may be impossible for them to move back into the workforce.

At the same time, when you look at the way the law is written and the way it has been in effect since 1974, when someone who relies on SSI does see improvement in their condition, they want to begin to provide some type of employment service, they face the limitation that after the first \$20 of income, their SSI benefit is reduced by \$1 for every \$2 of earned income exceeding \$65 a month until the benefit level reaches zero. This income disregard used to determine program eligibility of benefit levels, and it has not been replaced since originally set up in 1974.

As Chairman Johnson mentioned, we have made some progress through the Ticket to Work Act, but it is important to analyze how that has worked here and what we can do to make it more effective.

In my home State of Texas, which I share with Chairman Johnson, one of the organizations working in this area is Disability Rights Texas. They helped a 41-year-old Austinite with spina bifida who receives SSI and had always assumed that he wouldn't be able to work because he was afraid he would lose his benefits. Although he had acknowledged that his disability is very severe, and he had no work experience or training, he nonetheless decided he would try to work. Disability Rights Texas referred him to rehabilitative services and a customized employment program that ultimately helped him receive a job placement where he is experiencing some success and taking pride in the value of his work.

Another example is a gentleman who lives in Maynard, Texas, outside of Austin, who experiences a combination of both physical and mental problems that severely affect him. The administrative law judge who decided his case noted that he was living in a car in the woods and would just sit there most of the day and talk to himself and the animals. By the time he had his disability deter-

mination hearing, he had been living in the nonrunning vehicle for over 4 years and had undergone five psychiatric hospitalizations. Now that he receives SSI benefits, he has access to housing and regular medical and psychiatric care.

A contrasting set of examples about why we need to continue to strive to improve SSI, but why it will be necessary for some individuals who are not able to become productive members of our workforce.

Mr. Chairman, thank you for holding today's hearing, and we look forward to cooperating with you in seeking improvements in the program while maintaining this vital safety net. Thank you.

Chairman JOHNSON. Thank you.

I will now recognize the chairman of the Subcommittee on Human Resources, Chairman Davis, for his opening statement.

Chairman DAVIS. Thank you, Chairman Johnson.

As my colleagues have discussed, today's hearing examines the effectiveness of work incentives administered by the Social Security Administration designed to help people with disabilities go to work. Chairman Johnson and Ranking Member Doggett focused on the effects, especially on individuals who receive disability checks from the Social Security Disability Insurance program.

As Chairman of the Human Resources Subcommittee, I want to discuss the implications for people on the Supplemental Security Income, or SSI program, which falls under our Subcommittee's jurisdiction. This is our first hearing this year specifically on the SSI Program, and I can't think of a more appropriate topic than how we help people go back to work, and whether those efforts are succeeding.

Since SSI first started paying benefits in 1974, this means-tested cash assistance program has always encouraged work and earnings by reducing benefits by only \$1 for every \$2 in earnings. In other words, SSI, by design, tries to overcome disincentives to work inherent in a benefit program for disabled people with very low income. Even though SSI recipients have less work experience than SSDI recipients, an average of 5 percent leave the SSI rolls each year due to income from work or other sources—this is 10 times the rate for SSDI recipients. Still, 5 percent is a very low rate.

The key questions we have today are, do current programs and policies actually promote work? And if not, what else should we be doing? Our focus is on working-age, disabled individuals, nearly 40 percent of whom have expressed an interest in working. Disability applicants spend months and, in most cases, years proving they are disabled enough to merit benefit payments. Once they successfully prove they are too disabled to work, we encourage them to try to work with the goal of leaving the benefit rolls again. If it sounds complicated and contradictory, that is because it is.

SSA manages a complex system of work incentives that include various exemptions and exceptions and disregards that are both difficult for beneficiaries to understand and for SSA to efficiently administer. This confusing diagram up on the screen in front of you displays just the SSI work incentives, and it says it all. A similarly confusing chart exists for the SSDI program. What this all suggests is we need more balance. Balance for the beneficiary when it comes to easing the transition to work while reducing complexity that has

become an obstacle to work. And balance for the Social Security Administration in administering complex work incentives efficiently and effectively. Ultimately, this involves a balance of taxpayer dollars, too.

What is the right balance of incentives for individuals who are unable to work due to disability and who receive cash benefits, health coverage, and support for a range of assistance and other programs? Is there more assistance that would better help them work, or would more assistance make it even harder for them to work if the benefits of not working increasingly outweigh the benefits of working? The question is, what is the right balance? This discussion is why today's hearing is so important.

Encouraging work and self-sufficiency improves the well-being of individuals and families regardless of their disability status. We need to look deeper into these programs to hold SSA, current work incentives, and ourselves accountable for achieving this goal in a fiscally responsible manner. We can't continue to just "do more" and "spend more" and hope that it helps. We need to start by reviewing whether what we are already doing is working to help beneficiaries so we can ensure taxpayer resources are properly targeted.

We have an excellent panel of witnesses with us today to discuss these complicated issues and more. We look forward to all of their testimonies.

With that, I yield back.

Chairman JOHNSON. Thank you. I appreciate your comments.

I will now recognize the Ranking Member on the Subcommittee on Social Security Mr. Becerra for his comments.

Mr. BECERRA. Thank you, Mr. Chairman, to both chairmen, for holding this hearing today.

We are examining today some of the tools SSA has to assist disabled Americans who receive benefits, but want to try to return to work. I hope that this will be the starting point for moving legislation to continue the Social Security services that have allowed disabled Americans to live and work with dignity.

Let us put things into perspective. Social Security's disability programs; the Social Security Disability Insurance, DI, program; and the Supplemental Security Income program, SSI, are designed for people with severe work disabilities. In order to qualify, Americans must suffer from a medical condition so severe that, according to medical and vocational experts, it essentially prevents them from doing any work at all.

Most Americans receiving DI or SSI benefits are quite sick. About 1 out of every 5 men awarded DI benefits dies within 5 years of starting benefits, and about 1 in every 10 Americans awarded DI benefits suffers from cancer. Yet only the very sickest cancer patients qualify for benefits. In 2010, 1.6 million Americans were diagnosed with cancer, but fewer than 10 percent of them were awarded DI benefits because they had cancer.

New beneficiaries are also likely to be older. Almost 6 of every 10 Americans who are awarded benefits are 50 years or older. Nevertheless, a small number of severely disabled Americans courageously manage to work despite very serious challenges, and many others want to try. We should encourage work whenever possible,



such as by providing support to workers and employers without punishing those who are truly unable to work.

This year's budget cuts imposed on the Social Security Administration, nearly \$1 billion below what Social Security needs to do its job, will make it difficult for SSA to support Americans with disabilities who are trying to return to work. Americans who are attempting to work often need specialized help that SSA can't provide. Congress has authorized some small grants paid out of SSA's regular operating budget to help these Americans secure the specialized support they need. We should do all we can to ensure that these services continue their successful record of helping disabled Americans return to work.

Counselors funded through the Work Incentives Planning and Assistance program, or WIPA, help Americans understand and properly use the incentives offered by SSA that encourage the transition back to work. The Protection and Advocacy for Beneficiaries of Social Security program, or PABSS, supports the efforts of disabled Americans to stay on the job; for example, by helping them obtain necessary accommodations like assistive technology or adjusted work hours.

Mr. Chairman, I hope that we move quickly to extend and reauthorize these two important programs that result in more disabled Americans working with dignity. At the same time, we must be careful that we do not do anything that puts Americans with severe disabilities and illnesses in danger of losing benefits they paid for with their contributions and tax dollars.

Mr. Chairman, I look forward to hearing the witnesses today, and I am also hoping that at some point we are able to try to move on a bipartisan basis in reauthorizing many of these important programs, making the improvements where possible.

With that, I yield back the balance of my time.

Chairman JOHNSON. It can only be bipartisan if you stay on the committee.

Mr. BECERRA. That is a super idea.

Chairman JOHNSON. Before we move on, I want to remind witnesses to please limit their oral statements to 5 minutes, if possible. However, without objection, all the written testimony will be made a part of the hearing record.

We have one panel today, and our witnesses who are seated at the table are from the Social Security Administration. Robert W. Williams, Associate Commissioner, Office of Employment Support Programs, who is accompanied by Robert R. Weathers II, Deputy Associate Commissioner, Office of Program Development and Research; Dan Bertoni, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office; Deb Russell, Manager, Outreach and Employee Services, Walgreens Company, Deerfield, Illinois; James Hanophy, Assistant Commissioner, Texas Department of Assistive and Rehabilitative Services, Austin, Texas, on behalf of the Council of State Administrators of Vocational Rehabilitation; Cheryl Bates-Harris, Senior Disability Advocacy Specialist, National Disability Rights Network, on behalf of the Consortium for Citizens with Disabilities Employment and Training Task Force; John Kregel, Professor, Special Education

and Disability Policy, Virginia Commonwealth University, Richmond, Virginia.

Mr. Williams, I understand you will be making a statement on behalf of the Social Security Administration, and Mr. Weathers is accompanying you to also answer questions. I welcome you all, and thank you for being here. You may proceed, Mr. Williams. You are recognized.

**STATEMENT OF ROBERT W. WILLIAMS, ASSOCIATE COMMISSIONER, OFFICE OF EMPLOYMENT SUPPORT PROGRAMS, ACCOMPANIED BY ROBERT R. WEATHERS II, DEPUTY ASSOCIATE COMMISSIONER, OFFICE OF PROGRAM DEVELOPMENT AND RESEARCH, SOCIAL SECURITY ADMINISTRATION**

Mr. WILLIAMS. Good morning, Chairman Johnson, Chairman Davis, Ranking Members, and Members of the Subcommittees. I am pleased to have this opportunity to discuss the Social Security Administration's employment support and self-sufficiency efforts. I want to start by offering you an overview of my view of where we need to take our programs.

I took this job a few months ago for two reasons. The first is that my own life and career convince me that many more Americans with significant disabilities can work and become fully self-supporting if provided with the right opportunities and support. Second, I think we have an opportunity to "right-size" our expectations around the Ticket to Work program and our other employment support programs.

We need to be realistic and strategic about the number of beneficiaries who will become financially independent due to work and earnings, even in the best of economies. We must also ensure that the Ticket program and our other work incentives provide a path to good jobs, good careers, and better self-supporting futures. Frankly, it is the only way we can create a tipping point that will enable more beneficiaries to actually earn their way off of the disability rolls and to create better, more secure lives for themselves and their families.

It is time to change our "any job will do" mentality of job placement, where we focused on getting beneficiaries into low-wage jobs that offer little in the way of either career security or a better life. We need to focus less on the numbers of beneficiaries who work just above the substantial gainful activity level and focus instead on the quality of support services we provide and, most importantly, the outcomes we successfully support those beneficiaries to achieve and sustain over time. If we truly want to produce positive outcomes for the Vocational Rehabilitation, the Ticket, and Work Incentives Planning Assistance programs, the best way of doing so is by recognizing, supporting, reinforcing, and, yes, rewarding the initiative and hard-won financial independence of these American workers.

The Ticket program is not where we want it to be or where I believe it can be in the future. Despite an unfavorable job market, though, we are making progress, the Ticket regulations we published in 2008 have significantly increased beneficiary and employment network participation in the program. Building on this momentum, we are improving the data we collect on working bene-

ficiaries. This is enabling us to focus on those most likely to use the Ticket program and to support more beneficiaries to become and remain self-sufficient. I believe taking these steps will help make work truly work for more Americans with significant disabilities and, thus, advance the basic aims Congress set when it passed the Ticket to Work and the Work Incentives Improvement Act of 1999.

As you know, last year the Congress extended funding for the WIPA and PABSS programs through the end of this month. Unless those programs are reauthorized, the money for the WIPA and PABSS programs will effectively run out on June 30, 2012, and September 29, 2012, respectively.

Disseminating accurate information to beneficiaries with disabilities about work-incentive programs in support of their efforts to work and become self-supporting is critical, and we will work with Congress to improve the effectiveness of the program.

We are aware of a few concerns regarding the current structure of WIPA grants. Findings from the most recent evaluation of WIPA will be available shortly, and we look forward to reviewing these new findings and working with Congress to ensure the best approach going forward.

The Ticket Act also granted Social Security authority to conduct demonstration projects to test how certain changes in the program would affect beneficiary work and we have initiated several projects. My colleague Bob Weathers will answer any questions you may have about these projects.

In closing, we are firmly committed to assisting beneficiaries with disabilities who want to work and become self-supporting. To increase our success, we need to refocus our efforts and promote real pathways that more beneficiaries can pursue to gain and sustain financial independence.

Thank you for your interest in this matter. I am happy to answer any questions you may have.

Chairman JOHNSON. Thank you. I appreciate your comments.  
[The prepared statement of Mr. Williams follows:]



**JOINT HEARING BEFORE**  
**THE COMMITTEE ON WAYS AND MEANS**  
**SUBCOMMITTEE ON SOCIAL SECURITY**  
**AND**  
**SUBCOMMITTEE ON HUMAN RESOURCES**  
**UNITED STATES HOUSE OF REPRESENTATIVES**  
**SEPTEMBER 23, 2011**  
**STATEMENT**  
**OF**  
**ROBERT W. WILLIAMS**  
**ASSOCIATE COMMISSIONER**  
**OFFICE OF EMPLOYMENT SUPPORT PROGRAMS**  
**SOCIAL SECURITY ADMINISTRATION**

Chairman Johnson, Chairman Davis, and Members of the Subcommittees:

I am privileged and pleased to discuss the Social Security Administration's (SSA) efforts to help beneficiaries with disabilities return to work.

We serve a diverse population of people with disabilities through the Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs. Our beneficiaries have a wide-range of impairments and represent diverse age groups, levels of education, work experience, and capacities for working. Despite significant challenges, helping these beneficiaries take advantage of employment opportunities remains one of our highest priorities. While we are not where we want to be, we are making progress and building on our commitment that began over 50 years ago to help beneficiaries return to work.

I accepted the position of Acting Associate Commissioner for Employment Support Programs a few months ago for a couple of reasons. The first is that my own life and career convince me that many more Americans with significant disabilities can work and become fully self-supporting, if they receive the right opportunities and support. Second, I think we have an opportunity to "right-size" expectations for the Ticket to Work program and our other employment support programs.

We need to be realistic and strategic about the number of beneficiaries who will become financially independent due to work and earnings, even in the best of economies. We must also ensure that the Ticket program and our other work incentives provide a path to good jobs, good careers, and better self-supporting futures. Frankly, it is the only way we can create an environment to help more beneficiaries actually leave the disability rolls.

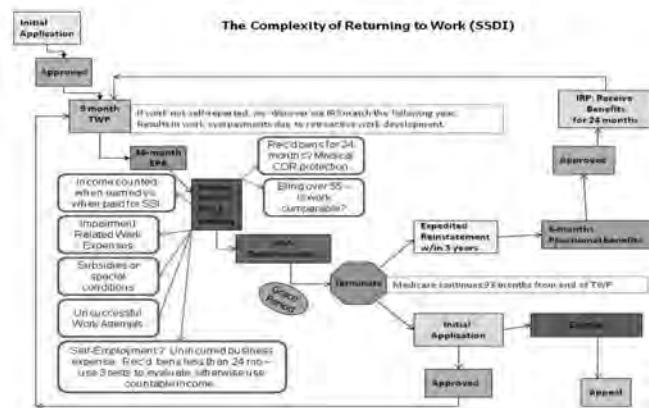
It is time to change our "any job will do" mentality of job placement, where we focused on getting beneficiaries into low wage, marginal jobs that offer little in the way of either security or a better life. We need to focus less on the numbers of beneficiaries who work just above the substantial gainful activity level and focus instead on the quality of support services we provide and outcomes we produce for those beneficiaries. If we truly want to produce positive outcomes for the Vocational Rehabilitation (VR), Ticket, and Work Incentives Planning and Assistance (WIPA) programs, the best way of doing so is by improving how we recognize, support, and reinforce, the initiative and financial independence of these American workers.

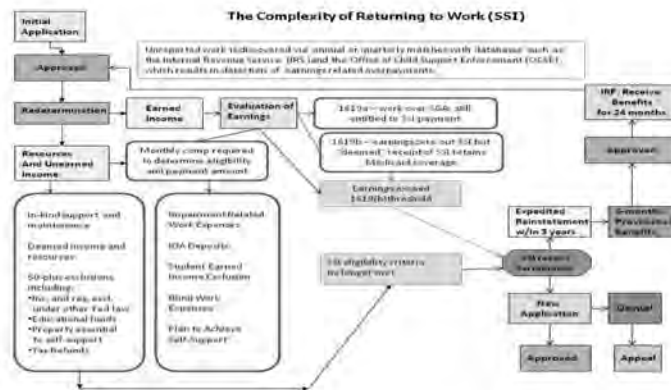
We have a number of return to work efforts in place and are currently testing what we hope will be some promising initiatives.

### Work Incentives

The Social Security Act (Act) includes a number of incentives to encourage disability beneficiaries to return to work. Generally, these incentives provide beneficiaries with continued benefits and medical coverage while working or pursuing an employment goal. For example, in the SSDI program, the incentives include the trial work period and the extended period of eligibility. In the SSI program, work incentives include more beneficial rules for counting income from earnings and the Plan to Achieve Self-Support. In addition, special rules about impairment-related work expenses, expedited reinstatement, and medical insurance apply to both SSDI and SSI disability beneficiaries. In the Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act), Congress also created ways for individuals to maintain their Medicare and Medicaid coverage even after they have become fully self-supporting and earned their way off SSDI or SSI. A more comprehensive description of our work incentives is available at <http://www.socialsecurity.gov/redbook/>.

We have trained our field office personnel to explain the work incentives, and we publish information on our website and in publications to help people understand the provisions. Nevertheless, our work incentive provisions are complex and difficult to administer and to understand as illustrated by these two charts. Because the work incentive rules are different for SSDI than they are for SSI, the situation is even more complex if a person is entitled to both types of benefits.





While we work to improve our supports for our disability beneficiaries, we believe that one of the best things we can do for them would be to simplify our work incentive rules.

The FY 2012 President's Budget includes a legislative proposal to reauthorize for five years our section 234 demonstration authority for Disability Insurance (DI), which allows us to use Trust Fund monies to conduct various demonstration projects, including alternative methods of treating work activity of DI beneficiaries. The President's Budget also includes a proposal that would authorize us to conduct the Work Incentives Simplification Pilot (WISP). We would use WISP 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, potentially reducing improper payments.

### The Ticket to Work Program

Prior to the Ticket program, State Vocational Rehabilitation (VR) agencies were the primary entities that provided return-to-work services at no cost to beneficiaries. We continue to reimburse the State VR agency's costs if a beneficiary engages in substantial gainful activity (SGA) for nine consecutive months.

Congress established the Ticket program in 1999 to expand the universe of service providers and to provide beneficiaries with choices beyond the State VR agencies to obtain the services and supports they need to maintain employment.

The Ticket program can be valuable even if it helps only a small number of beneficiaries return to work. Each disability award is expensive; on average, an award costs \$250,000 in DI benefits and Medicare costs over a beneficiary's lifetime. To the extent that we get some of our beneficiaries back to work and off the disability rolls, we will save a portion of those program costs; it does not take many beneficiaries to return to work for those savings to add up. Thus, it does not take very many exits from the disability rolls to pay for the cost of the Ticket program.

#### Ticket Program Overview

Under our current Ticket program rules, an adult SSDI or SSI beneficiary can receive a Ticket. A beneficiary who is eligible to participate in the Ticket program may choose to assign his or her Ticket to an Employment Network (EN). We contract with ENs, which are qualified State, local, or private organizations, to provide or coordinate the delivery of employment support services to our disability beneficiaries. Some State VR agencies also act as ENs. We also work closely with the Department of Labor (DOL) to expand the services and supports available to our beneficiaries through DOL's national network of workforce investment boards and One-Stop Career Centers.

Beneficiaries, ENs, One-Stop Career Centers, and State VR agencies voluntarily participate in the Ticket program. An EN decides whether to accept a Ticket from the beneficiary. Once a beneficiary assigns a Ticket to an EN, the EN provides employment support services to assist the beneficiary in obtaining self-supporting employment. The beneficiary receives these services at no charge.

Consistent with Congressional intent, we pay an EN only when it is successful in assisting beneficiaries secure and maintain employment.

#### Ticket Program Implementation

We completed implementation of the Ticket program in September 2004. Early experience showed that the program did not increase beneficiary choice or increase work outcomes as much as we would have liked.

Our initial Ticket regulations contributed to this problem. The regulations set the outcome payment amounts too low and the bar for receiving those payments too high. This unappealing combination discouraged service providers from becoming ENs.

To address these concerns, we developed new Ticket regulations that became effective on July 21, 2008 and made several key changes. We created a more attractive payment structure by increasing payment rates to ENs. Moreover, we increased available services



by permitting State VR agencies to work collaboratively with ENs in an arrangement known as Partnership Plus. This team approach allows State VR agencies to provide training and job placement services and then refer beneficiaries to ENs that can offer ongoing job retention support. This initiative increases the likelihood that beneficiaries will keep working, become self-supporting, and leave the rolls.

The 2008 regulations have significantly increased beneficiary and EN participation in the Ticket program. As of September 1, 2011, there were over 41,000 Tickets assigned to ENs; this figure represents nearly a 200 percent increase from May 1, 2008. Over this same period, the number of active ENs increased by nearly 50 percent, and the number of beneficiaries that ENs placed in a job increased by almost 300 percent (from a little over 4,000 beneficiaries to over 15,800 beneficiaries).

Let me share one compelling Ticket success story. Walgreens has signed on to serve as an EN and reconfigured its work processes to support workers with cognitive impairments. To date, two Walgreens distribution centers have hired ten Ticket beneficiaries on a full-time basis. Each one of those ten beneficiaries has worked his or her way off of the disability rolls.

Despite these strides, there are issues slowing the Ticket program's progress, and we are working to address them. This May, the Government Accountability Office (GAO) published a report on the Ticket program. Based on the report's findings, we have enhanced our quality assurance oversight and developed a performance measurement system to assess whether ENs are meeting our beneficiaries' needs.

#### Ticket Program Outreach Activities

In addition to revising our regulations, we are targeting our EN recruitment to those employment service providers with the ability to provide ongoing supports to our beneficiaries that will lead to good jobs, good careers, and better self-supporting futures. In particular, we are concentrating our efforts on recruiting qualified ENs to participate in the Partnership Plus initiative and recruiting workforce investment boards (State legal entities that operate One-Stop Career Center locations for the DOL). Working with the DOL, 122 workforce investment boards have become ENs, and they provide return-to-work services in 421 One-Stop Career Center locations. We also have about 20 new agencies in the pipeline.

We are using our management information to target our outreach to beneficiaries. Based on several years experience with Work Incentive Seminar events, we are now re-focusing our outreach efforts to those beneficiaries who are most likely to return to work, and we are using more efficient methods, like webinars, to reach them.

### Improving the Ticket Program

I will discuss briefly the additional steps we are planning to improve the Ticket program further.

First, we would like to gain a deeper understanding of how former beneficiaries fare after they earn their way off the rolls. We plan to analyze data to identify needs, characteristics, and experiences of these former beneficiaries to improve our return to work and job retention efforts.

Next, we will target our marketing of the Ticket program to the beneficiaries who are most likely to use it. Those beneficiaries tend to be under age 40. We will also seek ways to increase the Ticket program's use by beneficiaries who are between ages 40 and 54.

Finally, we want to help Ticket beneficiaries secure higher-paying jobs. We believe these jobs would enable many beneficiaries to earn significantly more than they would have had by keeping their earnings under the SGA level to remain on benefits. If Ticket holders can gain and sustain such employment, we would create an accessible pathway to self-sufficiency.

These steps will foster the level of beneficiary work activity Congress envisioned when it passed the Ticket Act and help beneficiaries imagine and invest in futures far different from what seem possible today. They would create accessible pathways that beneficiaries could use to return to work, achieve financial independence, and live the American Dream.

### Other Return to Work Efforts

I would like to touch upon a few other employment support efforts.

The Ticket Act created two programs to supplement the assistance available at our field offices and help beneficiaries understand our work incentive rules. The two programs provide grants to organizations with ties to the disability community at the local level. These services are available to all SSDI and SSI beneficiaries.

### Work Incentives Planning and Assistance (WIPA)

Outside of our agency, the WIPA cooperative agreement program assists disability beneficiaries across the country. WIPA grantees are community-based organizations such as Centers for Independent Living, Goodwill, State agencies, United Cerebral Palsy, and a host of non-profit organizations that help disability beneficiaries understand work

incentives and their effect on disability benefits. They employ Community Work Incentive Coordinators who are work incentive experts. Given the complexity of our work incentives, providing this assistance is of vital importance and is the WIPA program's greatest strength.

We need to build on this strength. Based on our experience, we are adopting a strategy that focuses on showing beneficiaries what it would be like to obtain and sustain financial independence. As a part of this strategy, we want our WIPA grantees to provide information and coaching on the steps our disability beneficiaries must take to achieve financial independence, including building savings and assets. We will also identify the outcomes we want the WIPA program to achieve, and we will hold our grantees responsible for achieving them.

#### Protection and Advocacy for Beneficiaries of Social Security (PABSS)

The PABSS is a network of organizations (State-designated Protection and Advocacy agencies) in all 50 States, the District of Columbia, U.S. territories, and the tribal entities. This network represents the Nation's largest provider of legal-based advocacy services for persons with disabilities. While WIPA grantees provide our beneficiaries with information about our work incentives, the 57 agencies in the PABSS advise beneficiaries about obtaining vocational rehabilitation and employment services. They provide advocacy and services beneficiaries may need to secure, maintain, or return to gainful employment.

#### Expiring Grant Authority

The Ticket Act initially authorized appropriations for WIPA and PABSS grants for each fiscal year through FY 2004. Congress subsequently passed several funding extensions. The last extension authorized funding through the end of the current fiscal year. Unless we receive reauthorization, the money for the WIPA and PABSS programs will effectively run out on June 30, 2012 and September 29, 2012, respectively. Disseminating accurate information to beneficiaries with disabilities about work incentive programs in support of return-to-work efforts is critical and we will work with Congress to improve the effectiveness of the program. We are aware of a few concerns regarding the current structure of WIPA grants. With the most recent evaluation of WIPA forthcoming shortly, we look forward to reviewing new findings on WIPA activities and working with Congress to ensure the best approach going forward.

### **Disability Demonstration Projects**

The Ticket Act authorized us to test how certain statutory changes to the disability program would affect beneficiary work activity. Pursuant to this authority, we initiated four demonstration projects—the Benefit Offset National Demonstration (BOND), the Mental Health Treatment Study (MHTS), the Accelerated Benefits Demonstration (AB), and the Youth Transition Demonstration (YTD). Each project has distinct objectives.

#### **Benefit Offset National Demonstration**

Because SSDI beneficiaries lose all of their cash benefits for any month in which they engage in SGA after completing the trial work period, they are often reluctant to attempt to work. The BOND project tests the effects of replacing this “cash cliff” with a benefit offset that reduces SSDI benefits \$1 for every \$2 a beneficiary earns above the SGA threshold. This benefit offset takes effect after the beneficiary completes twelve months of work at SGA. We also offer certain BOND participants enhanced work incentives counseling. Based on data from this project, we will estimate the effect of the benefit offset and counseling on beneficiary work activity.

We began full implementation of BOND in April 2011. Enrollment will continue until September 2012. We will publish several interim reports and expect to publish a final report in late 2017.

#### **Mental Health Treatment Study**

We awarded a contract in September 2005 for the Mental Health Treatment Study. This study tested the hypothesis that access to medical care and employment supports would enable SSDI beneficiaries with schizophrenia or affective disorders to return to work. Conducted between November 2006 and July 2010, the test included 2,238 beneficiaries in 23 study sites throughout the United States. Beneficiaries volunteering to participate in the study received a random assignment to either a treatment group or a control group, and participated for 24 months. The study collected data on the primary outcome measures of employment (including earnings), health status, and quality of life. The contractor completed the final report in August 2011.

Overall, study findings show that beneficiaries in the treatment group ended the study with significantly better employment rates, better mental health, and a higher quality of life than the control group. Further, they ended the study with other better outcomes than the control group, including higher earnings and income, more hours worked, a greater number of months worked, and greater satisfaction with their main job. Thus, the

treatment package succeeded in getting a large portion of beneficiaries into jobs—the primary goal of participation.

We will post the final report within the next two months on our website:  
<http://socialsecurity.gov/disabilityresearch/mentalhealth.htm>.

#### Accelerated Benefits Demonstration

Under current rules, most SSDI beneficiaries have a 24-month waiting period after the date of entitlement before they are eligible for Medicare. In this project, we tested the effect of providing immediate healthcare to newly entitled SSDI beneficiaries. Specifically, we tested whether providing medical benefits sooner would result in better health and return to work outcomes for beneficiaries. The project started in October 2007. We enrolled about 2,000 beneficiaries in one of three study groups: a control group, a group that receives a medical benefits package (AB group), and a group that receives the medical benefits package and comprehensive support services (AB plus group). We completed this project in December 2010. The final report is available to the public on our website: <http://www.ssa.gov/disabilityresearch/accelerated.htm>.

Our major findings include:

- Participants made extensive use of program services.
- AB health care benefits increased health care use and reduced reported unmet medical needs.
- AB Plus services encouraged people to look for work but did not increase employment levels in the first year.
- AB health care benefits reduced difficulties paying for basic necessities.

We will continue to track outcomes to assess whether there are long-term employment gains and reduced need for health care that result in future savings for the Federal government.

#### Youth Transition Demonstration

The YTD seeks to identify effective and efficient methods for assisting youths to transition from school to work and become self-sufficient. This project identifies services, implements service interventions, and tests modified SSI income and resource exclusions that lead to better education and employment outcomes for youth with disabilities. The YTD serves youths between the ages of 14 and 25 who receive SSI or SSDI (including child's insurance benefits based on disability) or who are at heightened risk of becoming eligible for those benefits. This study will produce the first empirical evaluation of the

effects of enhanced youth transition programs and modified SSI work incentives on disabled youth.

Early results from three of the YTD projects show that after 12 months, treatment youth are receiving more employment-promoting services than the control group, are more likely to have received benefits counseling, and are more likely to use certain SSA work incentives.

Several interim reports are available to the public on our website: <http://www.ssa.gov/disabilityresearch/youth.htm>. We plan to complete a comprehensive final report on this project by 2014.

#### Promoting Readiness of Minors in SSI

The FY 2012 President's Budget includes a pilot project called Promoting Readiness of Minors in SSI (PROMISE), which would focus on young people with disabilities who receive SSI and help them to transition into the workforce. We expect PROMISE to help us further promote financial independence among our younger disability beneficiaries.

#### Conclusion

We are firmly committed to assisting beneficiaries with disabilities who want to return to work and become self-supporting. With the revisions to the Ticket regulations in 2008 and expanded outreach activities, the Ticket program is on the right track. However, we still must simplify our work incentive programs and refocus our strategy to promote the idea of financial independence more vigorously.

With the changes I discussed, our return to work programs will better nurture, encourage, and support disability beneficiaries. More of them could earn their way off cash benefits in order to live a better life and create a more secure future for themselves and their families.

Thank you again for your support and interest in this matter.

Chairman JOHNSON. Mr. Bertoni, welcome. Please go ahead.

**STATEMENT OF DANIEL BERTONI, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. BERTONI. Mr. Chairmen, Ranking Members, Members of the Subcommittee, good morning. I am pleased to discuss work incentives for disability program beneficiaries; in particular, SSA's Ticket to Work program. The Ticket program has been under way for more than a decade and utilizes approved providers to assist beneficiaries, known as ticket holders, in obtaining employment and ultimately reducing their dependence on benefits.

Our prior work and the work of others has questioned the viability of the program due to low participation and costs that are not offset by beneficiaries returning to work. In an effort to attract more ticket holders and employment network providers, SSA revised its regulations in 2008 to include additional incentives for both groups. My testimony this morning summarizes our May 2011 report and discusses trends in ticket holder and employment network participation over time, services provided by the various employment networks in SSA's management and oversight of the Ticket program.

In summary, we found that beneficiaries assigning their tickets to employment network providers have more than doubled since 2008 to about 49,000; however, that number is relatively small compared to 12 million eligible beneficiaries. And despite increased enrollments, the extent to which beneficiaries are returning to work and leaving the rolls is unknown because SSA has not yet evaluated program outcomes as required by law. Because such an evaluation is key to assessing a program's effectiveness and long-term viability, we have recommended that SSA prioritize and carry through with its plans to study ticket holder exits from disability rolls.

Since 2008, employment network participation has also increased to about 1,600 providers; however, the bulk of activity in more than 70 percent of the \$13 million SSA paid out last year went to only 20 providers, and just 3 received nearly a third of all payments. Our analysis show that employment networks offer a range of services including assistance with job search, retention, and transportation; however, since 2008, an increasing number of providers are specifically targeting beneficiaries who are already working or don't need help finding work, and the largest are simply passing a portion of the Ticket payment back to the ticket holder, taking a substantial percentage for themselves and providing no direct services. Such transactions essentially result in a benefit subsidy to the ticket holder and fairly easy money for providers.

We have recommended that SSA compile data and assess trends in employment network service provisions to determine whether they are consistent with the program's goal of helping individuals find and retain sustainable employment and reduce dependence on benefits.

Finally, we found that SSA lacks management tools for evaluating providers and beneficiaries to ensure program integrity and effectiveness. For example, SSA had not developed clear guidance

and performance measures or providers, which can lead to confusion about program goals and cause them to send mixed messages to beneficiaries about expected outcomes. In fact, despite the program's stated purpose to reduce benefit dependence, our investigator, posing as a brother of a fictitious ticket holder, documented multiple providers promoting indefinite part-time work and keeping ticket holders below certain income thresholds so as not to jeopardize their disability benefits. Similar information was conveyed on other providers' Web sites and recorded phone messages.

We also found weaknesses in SSA's oversight of ticket holders' timely progress toward employment due to the agency's suspension of required progress reviews between 2005 and November 2010. As a result, thousands of ticket holders have been exempt, per program rules, from undergoing medical continuing disability reviews, or CDRs, for many years, regardless of whether they are actually moving toward self-sustaining employment, intentionally resulting in improper payments to individuals who are no longer medically eligible.

We have recommended that SSA develop program performance measures consistent with the Ticket law and a strategy for completing the backlog of required progress reviews, which SSA estimates to be between 13,000 and 22,000 cases per month, over the next year. Moreover, we have recommended that SSA independently verify the information reported by beneficiaries to more accurately assess timely progress toward sustained employment.

Mr. Chairman, Members of the Subcommittee, this concludes my statement. I am happy to answer any questions that you may have. Thank you.

Chairman JOHNSON. Thank you, sir.

[The prepared statement of Mr. Bertoni follows:]



---

**GAO**

United States Government Accountability Office

Testimony  
Before the Subcommittees on Social  
Security and Human Resources,  
Committee on Ways and Means, House of  
Representatives

For Release on Delivery  
Expected at 9:00 a.m. EDT  
Friday, September 23, 2011

---

## SOCIAL SECURITY DISABILITY

### Participation in the Ticket to Work Program Has Increased, but More Oversight Needed

Statement of Daniel Bertoni, Director  
Education, Workforce, and Income Security Issues



---

GAO-11-828T

---

Chairmen Johnson and Davis, Ranking Members Becerra and Doggett, and Members of the Subcommittees:

I am pleased to be here today to discuss the Social Security Administration's (SSA) Ticket to Work and Self-Sufficiency Program (Ticket program). Created by law in 1999, the Ticket program was intended to assist disability beneficiaries in obtaining and retaining employment, and potentially bring about significant savings to the Disability Insurance Trust Fund by reducing or eliminating their benefits.<sup>1</sup> Under the program, SSA provides each eligible beneficiary (ticket holder) with a ticket to obtain services from SSA-approved public or private providers, referred to as employment networks (EN), or from traditional state vocational rehabilitation agencies (VR).<sup>2</sup> When the Ticket program was created, it was estimated that it had the potential to provide significant savings to the Social Security Trust Funds and Treasury.<sup>3</sup> However, our prior work and the work of SSA's Office of the Inspector General and others has questioned the viability of the program due to low participation and costs that are not offset by beneficiaries returning to work and reducing

---

<sup>1</sup>The Ticket to Work and Work Incentives Improvement Act of 1999, Pub. L. No. 106-170, § 101, 113 Stat. 1860, 1863-73 (codified as amended at 42 U.S.C. § 1320b-19).

<sup>2</sup>Administered by the Department of Education since 1973, the Vocational Rehabilitation program provides funds to states to offer employment services ranging from treatment of impairments to job counseling and placement. 29 U.S.C. §§ 721 and 731. Under SSA's Vocational Rehabilitation Reimbursement Program, established before the Ticket program, SSA reimburses VRs for costs of providing services to a beneficiary when the beneficiary has earnings above an established threshold over the course of 9 months. 42 U.S.C. §§ 422(d)(1) and 1382d(d). With the establishment of the Ticket program, VRs can choose to be paid under either the EN payment system or the traditional cost-reimbursement system.

<sup>3</sup>It was estimated that if an additional one-half of 1 percent of disability beneficiaries went back to work, and ceased benefits, the savings to the Social Security Trust Funds and Treasury would total \$3.5 billion over their working lives. Pub. L. No. 106-170, § 2(a)(12), 113 Stat. 1860, 1863.

---

dependency on benefits.<sup>4</sup> In an effort to address these concerns, SSA revised its regulations in 2008 to attract more ticket holders and ENs.

My testimony summarizes our report issued in May<sup>5</sup> and focuses on (1) how participation of ticket holders and employment networks in the Ticket program has changed over time, (2) what is known about the range of service approaches used by employment networks, and (3) the policies and processes SSA has to evaluate employment networks and ticket holders to ensure program integrity and effectiveness. To conduct this work, we analyzed SSA data on ticket holder and EN participation, and reviewed SSA policies and procedures for the program, and relevant federal laws and regulations. We also interviewed representatives of 25 ENs, including 20 ENs among those with the largest payments in fiscal years 2007 and 2009, as well as disability advocacy organization and SSA officials. In addition, an investigator from our Forensic Audits and Investigative Service team contacted selected ENs, posing as a fictitious employer or relative of a ticket holder to test for potential vulnerabilities in program management and oversight. A more detailed explanation of our methodology is available in our full report. Our work was performed in accordance with generally accepted government auditing standards.

In summary, we found that more ticket holders and ENs are participating in the Ticket program since SSA revised its regulations in 2008, but the overall participation rate remains low. SSA has not yet studied whether the 2008 changes have enabled more ticket holders to obtain employment and exit the

---

<sup>4</sup>GAO, *Social Security Administration: Better Planning Could Make the Ticket Program More Effective*, GAO-05-248 (Washington, D.C.: March 2005); SSA Office of the Inspector General, *Ticket to Work and Self-Sufficiency Program Cost Effectiveness*, A-02-07-17048 Audit Report, (Washington, D.C., August 2008); and Craig Thornton, *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations: Can the Ticket to Work Program Be Self-Financing?* Mathematica Policy Research, forthcoming.

<sup>5</sup>GAO, *Social Security Disability: Ticket to Work Participation Has Increased, but Additional Oversight Needed*, GAO-11-324 (Washington, D.C.: May 2011).

benefit rolls. The number of ENs approved to serve ticket holders has increased; however, many ENs are not actively participating, and ticket payments have remained concentrated with only 20 ENs. These ENs provide a range of services, including assistance with job search and retention. But since the 2008 changes in regulations, an increasing number have used service approaches targeting ticket holders who are already working or ready to work, including simply passing back a portion of the payment from SSA. Finally, we found SSA lacks adequate management tools for evaluating ENs and ticket holders to ensure program integrity and effectiveness. For instance, SSA has not developed performance measures for contracted ENs to assess their success in helping assigned ticket holders obtain and retain employment and reduce dependence on disability benefits. Without such measures, we found multiple ENs communicating to ticket holders how to work part time and keep full disability benefits indefinitely, despite the fact that the ultimate goal of the program is to reduce dependence on benefits. In addition, ticket holders who show timely progress toward self-supporting employment are generally exempt from medical continuing disability reviews (CDRs) conducted to determine continued eligibility for benefits. However, SSA has not consistently monitored or enforced the requirements for timely progress and, therefore, ticket holders in the program have been exempt from CDRs for years regardless of whether they show progress in the program. Lack of systematic monitoring of timely progress has both program integrity and cost implications, such as the potential for ineligible beneficiaries to continue receiving benefits. In our May report, we made four recommendations to address these issues and enhance program oversight. SSA has already implemented one of these recommendations, developing performance measures for ENs, and has reported it is moving forward to implement another to track EN service approaches and assess their consistency with program goals. We will continue to monitor the agency's implementation of the other recommendations.

## Background

To be eligible for Disability Insurance (DI) or Supplemental Security Income (SSI) benefits, an individual generally must have a medically determined physical or mental impairment that (1) has lasted or is expected to last at least 1 year or result in

death and (2) prevents the individual from engaging in substantial gainful activity (SGA).<sup>6</sup> Once an individual is receiving benefits, CDRs are periodically conducted by SSA to determine if the individual has medically improved to the point of being able to work and is no longer eligible for benefits.<sup>7</sup>

When an individual becomes eligible for DI or SSI benefits, SSA mails a ticket to them. Generally, DI and SSI beneficiaries from 18 to 64 years old are eligible ticket holders and may choose whether or not to use their tickets, and with which service providers. Likewise, SSA-approved ENs can decide whether to serve an individual ticket holder. Ticket holders who assign their tickets and demonstrate "timely progress" toward self-supporting employment, such as by fulfilling minimum earnings or education requirements to be reviewed regularly, are exempted from medical CDRs.<sup>8</sup> This provision provides an incentive for individuals to assign their tickets who otherwise might not attempt to work out of fear that a medical CDR would cause them to lose benefit eligibility. The ticket holder's ticket becomes "assigned" once the ticket holder and EN decide to work together and submit an individual work plan describing the services the EN will provide. A ticket holder can unassign the

<sup>6</sup>42 U.S.C. §§ 416(i) and 1382c(a)(3). Under thresholds set annually by SSA, individuals were considered engaged in SGA if they had earnings in 2010 above \$1,000 per month for nonblind beneficiaries and \$1,640 per month for blind beneficiaries.

<sup>7</sup>DI beneficiaries are allowed a 9-month trial work period during which their benefits continue regardless of how much they earn. Upon completion of the 9-month trial work period, DI beneficiaries move into a 36-month re-entitlement period (extended period of eligibility) in which their monthly cash benefit ceases except in months in which earnings are less than SGA. DI recipients whose earnings are above SGA after they complete the 36-month period should, under program rules, stop receiving benefits and be removed from the disability rolls. In contrast, SSI benefits are reduced by \$1 for every \$2 of earned income exceeding \$65 per month until benefits reach zero. If SSI beneficiaries receive no benefits for 12 consecutive months due to earned income, they are removed from the disability rolls.

<sup>8</sup>The Ticket law mandated that during any period for which an individual is using, as defined by SSA, a ticket, SSA may not initiate a CDR. 42 U.S.C. § 1320b-19(i). In its program regulations, SSA defines "using" a ticket as making "timely progress toward self-supporting employment," and outlines specific requirements a ticket holder must meet in order to demonstrate timely progress and obtain or maintain CDR exemption. 20 C.F.R. § 411.166 (2010).

---

ticket from the EN at any time, sometimes switching to a different EN. When the ticket holder has sufficient earnings, the EN becomes eligible for payments from SSA.<sup>9</sup> The EN can choose from two payment options: (1) milestone-outcome payments that begin when the ticket holder achieves a specified level of earnings and continue for a specified time after the ticket holder no longer receives benefits due to earnings, or (2) outcome-only payments that do not begin until the ticket holder is entirely off benefits.

Due to low participation rates by both ticket holders and ENs, SSA revised the Ticket program regulations in 2008.<sup>10</sup> The changes lowered the ticket holder earnings threshold that triggers payments to ENs. Previously, ENs were not eligible for SSA payment until a ticket holder had earnings at the SGA level or above. Now there is a first phase of four \$1,275 payments<sup>11</sup> over a ticket holder's first 9 months working at the trial work level, which is below SGA and, in many cases, equates to part-time work.<sup>12</sup> The EN is also eligible for a second phase of smaller monthly payments when a ticket holder has earnings above the SGA level, and a third and final phase of payments (the outcome phase) once a ticket holder is earning above SGA and no longer receives disability benefits. Another key change made in 2008 was to explicitly allow ENs to use milestone or outcome payments to make payments directly to ticket holders.

---

<sup>9</sup>42 U.S.C. § 1320b-19(h). SSA makes payments to ENs for DI beneficiaries through the Federal Disability Insurance Trust Fund and to ENs for SSI beneficiaries through appropriations from general revenues. 42 U.S.C. §§ 401(b) and 1381.

<sup>10</sup>SSA-RFQ-11-0010J, Employment Networks for the Ticket to Work and Self-Sufficiency Program.

<sup>11</sup>These payment amounts are for 2010.

<sup>12</sup>Some phase 1 payments to an EN are limited if the ticket holder earned above the trial work level in the 18 months prior to ticket assignment. 20 C.F.R. § 411.535(a)(1)(i) (2010).

### More Ticket Holders and Employment Networks Participating, but Participation Rate Remains Low

Ticket holders assigning their tickets to ENs increased from about 22,000 in fiscal year 2007, before the changes to program regulations, to more than 49,000 as of July 2010.<sup>13</sup> Despite the increase in numbers, those assigning their tickets to ENs represented less than 1 percent of the approximately 12.1 million eligible ticket holders<sup>14</sup> as of July 2010.<sup>15</sup> Representatives of the private company SSA contracts with to conduct outreach told us that while they are beginning to place more emphasis on increasing ticket holder participation, their earlier recruitment efforts prioritized increasing the supply of ENs. According to EN representatives, ticket holder participation remains low due, in part, to a lack of understanding and awareness of the program. Some disability rights advocates and EN representatives said a fear of losing benefits may also deter eligible ticket holders from participating in the program, especially DI beneficiaries who, after a 9-month trial work period, face an immediate cessation of benefits in a given month when earnings exceed SGA.<sup>16</sup>

Although the number of ticket holders assigning their tickets has increased since the 2008 changes, the extent to which more ticket holders are returning to work and exiting the benefit rolls is unknown. The law requires SSA to conduct ongoing independent evaluations of ticket holders' employment outcomes, and SSA has tentative plans to study exits from the

<sup>13</sup>Overall ticket holder participation, including tickets used with VRs participating in the cost-reimbursement system or assigned to ENs, increased from about 266,000 in fiscal year 2007 to more than 318,000 in July 2010. Our review was generally limited to ENs and VRs paid as ENs, and did not focus on VRs paid through the cost-reimbursement system.

<sup>14</sup>All numbers referring to eligible ticket holders are as of the last day of the fiscal year.

<sup>15</sup>As of July 2010, those assigning their tickets to ENs represented two-fifths of 1 percent of eligible ticket holders, compared to one-fifth of 1 percent in fiscal year 2007 before the regulatory changes. As of July 2010, 2.6 percent of eligible ticket holders used their tickets with VRs participating in the cost-reimbursement system or assigned their tickets to ENs, an increase from 2.1 percent in fiscal year 2004.

<sup>16</sup>While SSI beneficiaries experience a gradual reduction in benefits based on how much they earn above SGA, DI beneficiaries, following their trial work period, experience what is referred to as a "cash cliff" in which they lose all benefits in a given month upon reaching SGA. One EN representative said this creates an incentive for DI beneficiaries enrolled in the Ticket program to find work with wages below SGA. 20 C.F.R. § 404.1592(a) (2010).

---

benefit rolls under the revised program regulations.<sup>17</sup> Whether or not ticket holders are able to leave the rolls has implications for the program's cost-effectiveness and ultimately, its long-term viability. In preliminary research examining the program prior to the 2008 regulatory changes, Mathematica found more exits from the rolls would be needed to offset existing operational costs.<sup>18</sup>

In our May report, we recommended that SSA prioritize and carry through with a study of participating ticket holders' exits from the rolls and the agency noted it has plans to study the effects of the 2008 changes on the Ticket program. However, prioritizing and carrying through with their plans will be important going forward to determine the extent to which ticket holders actually exit the rolls due to long-term employment. Without it, an accurate and complete assessment of the Ticket program's effectiveness cannot be made.

Although an increasing number of ENs are participating in the Ticket program since the 2008 changes in regulations, many ENs are not actively participating and SSA ticket payments have remained concentrated with only 20 ENs. The number of ENs contracted by SSA increased from 1,514 in fiscal year 2007 to 1,603 as of July 2010.<sup>19</sup> During this time, ENs accepting at least one ticket also increased from 752 to 1,086. The majority of EN representatives we interviewed said the regulatory changes provided greater incentive for participation because ENs can now receive payments for ticket holders with earnings earlier than before as well as for ticket holders with part-time earnings.

---

<sup>17</sup>Pub. L. No. 106-170, § 101(d)(4). 113 Stat. 1869, 1875-76 (codified at 42 U.S.C. § 1320b-19 note).

<sup>18</sup>Craig Thornton, *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations. Can the Ticket to Work Program Be Self-Financing?* Mathematica Policy Research, forthcoming. Mathematica's draft report estimated SSA spent approximately \$34.1 million in fiscal year 2008 to run the Ticket program, including costs of contracts SSA issued to organizations that operate key Ticket program components.

<sup>19</sup>In fiscal year 2004 (the first year all 50 states participated in the Ticket program), 1,286 ENs had contracts.



ENs receiving ticket payments from SSA more than doubled, from 206 in fiscal year 2007 to 460 as of July 2010. Total payments to ENs grew substantially, from \$3.8 million in fiscal year 2007 to \$13 million as of July 2010. Yet 20 ENs, or less than 2 percent of the total number accepting tickets in fiscal year 2009, have received more than 70 percent of SSA's ticket payments in recent years. Reasons why EN participation is not broader may be partly attributable to costs. Even though SSA officials said the 2008 regulatory changes were intended to address the costs associated with providing initial services, several EN representatives told us that financing the upfront costs of providing services can be challenging, and some said providing resource-intensive services, such as career and personal counseling, could limit profitability.

**Employment  
Networks Vary in  
Service Approaches,  
but Increasingly  
Focus on the  
Employed or Ready to  
Work**

Those ENs receiving some of the largest payment amounts from SSA provide a range of services, including assistance with job search and retention. But since the 2008 changes in regulations, an increasing number of ENs used service approaches targeting ticket holders who are already working or do not need assistance in obtaining employment. For example, since the 2008 regulatory changes, which explicitly allowed ENs to pay ticket holders, an increasing number of ENs shared SSA ticket payments with ticket holders who have sufficient earnings to qualify the EN for payment.<sup>20</sup> This "shared payment" approach allows the EN to readily claim ticket payments while providing no direct services because the ticket holder is already working or able to find a job without assistance. This service approach accounted for an increasing proportion of total ticket payments made by SSA.<sup>21</sup> In fiscal year 2007, 1 of the 20 ENs among

<sup>20</sup>Some milestone payments may not be available to an EN if, during the 18 months prior to the ticket holder assigning the ticket, the ticket holder worked and had earnings equal to or above the trial work level amount.

<sup>21</sup>In addition to the shared payment approach that targets ticket holders already working, two "employer-driven" service approaches that target ticket holders who are ready to work have also accounted for a greater share of SSA payments to ENs among those with the largest payment amounts: an EN employs ticket holders itself, or an EN primarily works with employers so as to develop and identify jobs for ticket holders, similar to a staffing agency. See GAO-11-324 for more information about these approaches.

those with the largest payment amounts used this approach and received about \$787,000 in SSA payments, or one-fifth of all payments to ENs. In fiscal year 2009, 3 of the 20 ENs among those with the largest payment amounts used this approach and received over \$4 million, or nearly one-third of all payments to ENs.<sup>22</sup> Two of these ENs simply pass back 75 percent of SSA's ticket payment to ticket holders and retain 25 percent for themselves; and the third offers ticket holders \$500 every 3 months.<sup>23</sup>

Some disability rights advocates and EN representatives said that since program rules do not allow ticket holders to serve as their own ENs, this approach allows them to receive a Ticket program payment for their efforts to find a job on their own. Some EN representatives also said the payment may help a ticket holder meet needed work-related expenses such as transportation, clothing, and child care, increasing the likelihood he or she will keep a job. However, some disability rights advocates and EN representatives said this approach only works for ticket holders who can find employment on their own, and raises questions about the value these ENs add to the program. For example, one disability rights advocate said that it would be preferable for SSA to give the ticket holder the entire payment directly, rather than paying an EN a portion of the ticket payment to serve as a middleman. Additionally, the representatives told us ticket holders may need support after finding employment, such as counseling or help with a disability-related relapse, but choose an EN using the shared-payment approach because they are enticed by the financial incentive and do not anticipate future difficulties. Further, according to one EN representative, because these ENs do not provide a vocational assessment of strengths, weaknesses, and aptitude, ticket holders may end up in a job that is a poor fit,

<sup>22</sup>Although our review was limited to those ENs receiving among the largest payments in fiscal years 2007 and 2009, through our EN interviews and background review of the EN directory, we identified several other ENs using the shared payment approach.

<sup>23</sup>According to a representative from the third EN, it also provides some ticket holders with benefit planning assistance, although we did not independently verify the services ENs reported providing in our interviews.

---

affecting their ability to retain it and, ultimately, reduce dependency on benefits.

Long-term outcomes of ticket holders receiving shared payments compared to those receiving support services is unknown, because SSA does not assess the relative outcomes of ticket holders based on services received. A senior SSA official said that the program must balance the demands it places on ENs to provide services with incentives for them to participate, and that Congress' intent was to provide ticket holders with a choice of services. However, the official acknowledged some concerns about the shared payment approach because the program was not intended to provide a wage subsidy nor assist those who can find employment on their own, but to provide tangible employment-related services to those who can benefit most. After reviewing the draft of our May report, the agency posted new requirements that ENs provide a minimum level of services and periodically assess ticket holders' need for additional services.<sup>24</sup>

SSA also does not compile data on the shared payment approach or any other service provision trends to inform its management and oversight of the program, or to tailor its guidance to ENs. For example, although SSA compiles information on certain types of service providers, such as mental health providers, as part of its efforts to recruit specific providers, it does not obtain comprehensive information on services provided by all ENs. Moreover, while service providers applying to become ENs must indicate which services they intend to provide in a checklist on the application form, and approved ENs must update this information on their annual periodic outcome report to SSA, the checklist does not include shared payments. In our May report we recommended that SSA adopt a strategy for compiling and using data on trends in EN service provision to determine whether service approaches, such as sharing SSA ticket payments with ticket holders, are consistent with program goals of helping ticket holders find and

---

<sup>24</sup>Solicitation Number: SSA-RFQ-11-0010J.

retain employment and reduce dependency on benefits. SSA agreed with our recommendation and officials said they will take steps to identify EN service approaches and assess their consistency with program goals.

**SSA Lacks Adequate Management Tools for Evaluating Employment Networks and Ticket Holders to Ensure Program Integrity and Effectiveness**

SSA has not developed EN performance measures to assess their success in helping assigned ticket holders obtain and retain employment and reduce dependence on disability benefits. Without performance measures, SSA is unable to systematically evaluate EN performance, and ultimately determine whether ENs should be allowed to remain in the program. The Ticket law directs SSA to develop performance measures for quality assurance in the provision of services by ENs, and gives SSA the authority to terminate EN contracts for inadequate performance.<sup>25</sup> Internal control standards for the federal government also stress the use of performance measures for proper stewardship of and accountability for government resources, and for achieving effective and efficient program results.<sup>26</sup>

Lack of performance measures may send the wrong message to ENs, whose staff may be unclear about program goals and send mixed messages to ticket holders about expected outcomes. Of the 25 ENs we interviewed, representatives of 15 said SSA had not adequately articulated performance expectations for serving ticket holders. SSA's EN handbook does state the ultimate goal of the program is to reduce dependence and, whenever possible, eliminate reliance on benefits. Yet, an EN, which had the fourth-largest payment amount from SSA in fiscal year 2009, stated in its last three annual periodic outcome reports that 100 percent of its ticket holders placed in jobs had earnings of less than \$10,000 per year—equating to less than the SGA level, if earnings were accrued regularly over the course of 12 months. In fact, this EN's recorded phone message states that

<sup>25</sup>42 U.S.C. § 1320b-19(d)(5) and (6).

<sup>26</sup>GAO, *Internal Control Standards: Internal Control Management and Evaluation Tool*, GAO-01-1008G (Washington, D.C.: August 2001).

---

DI ticket holders can work part time indefinitely without reducing SSA benefits, and its Web site says most of its positions are designed so ticket holders stay below income thresholds for benefit cutoff. With assistance from our investigative staff, we found multiple ENs among those with the largest payment amounts communicating through their Web sites, recorded phone messages, or in our discussions with representatives that as long as DI ticket holders' earnings stay below the SGA level, they can keep full disability benefits (see Fig. 1 for excerpts of calls our investigative staff made to ENs posing as the brother of a ticket holder to learn about the Ticket program and the services provided by the ENs). While full-time employment may be unattainable for certain ticket holders and one key program official told us that part-time employment is acceptable under the 2008 regulations, the official said it should be a starting point, not an end goal. Nonetheless, our review indicates some ticket holders are being coached by ENs, including some of those with the largest payment amounts, to work only part time so as not to jeopardize their benefits.

Figure 1: Transcript Excerpts of Calls with Employment Networks on Working Indefinitely Without Losing Benefits, September and October 2010

A GAO investigator phoned multiple ENs on behalf of a fictitious brother, who was portrayed as a ticket holder, to learn about the Ticket program and the services provided by the ENs. Below are excerpts from three calls in which EN representatives told the caller that a DI ticket holder may collect full monthly benefits indefinitely as long as he remains under SGA earnings level, despite the fact that the ultimate goal of the Ticket program is to reduce dependence on benefits.



**EN representative:** “So this is a service where it’s funded by the government, and it’s services of – you know – to the community where they help people with disability find part-time work. Because if they – **if you get any full-time work, then you know, they’re gonna cut you off. So we’re not offering you full-time work.** We’re helping you find part-time work.”



**EN representative:** “What’s important for your brother to know is that right now, as of 2010, **he can go out, work any job that he wants so long as he stays under the \$1,000 a month, he gets his cake and eat[s] it too.** He gets the – he gets his wages, and he gets his full SSDI benefit, and the medical, and everything that goes along with it. **And that can – that can go from today until your brother retires, or whatever.”**



**EN recording:** “As long as SSDI recipients remain under those earning limits and their disability does not improve, **they can work part time and continue to collect their full monthly SSDI check indefinitely.**”

Source: GAO and employment networks.

Note: For the full transcripts of these calls, see GAO-11-324.

Near the conclusion of our audit work, SSA officials told us that they were considering future updates to address EN performance expectations. We recommended that SSA move forward to develop EN performance measures consistent with the requirements of the Ticket law. SSA agreed with this recommendation and published performance measures<sup>27</sup> that SSA intends to enforce when data are available in early 2012.

<sup>27</sup>Solicitation Number: SSA-RFQ-11-0010J.

SSA also 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 CDRs—a key tool for assessing continuing eligibility for benefits. While timely progress by ticket holders is a regulatory requirement,<sup>26</sup> in 2005, SSA instituted a moratorium on enforcing this requirement and essentially suspended the reviews of timely progress for several years. However, SSA has acknowledged in the preamble to its program regulations and in a 2005 internal memo the importance of reviewing timely progress to ensure ticket holders who have medically improved and no longer meet SSA's disability requirements do not receive benefits and its disability programs do not incur unwarranted costs. Further, without reviews of timely progress, representatives of some ENs we interviewed said some ticket holders "park" their tickets to get the CDR exemption, for example, by assigning their ticket with no interest in obtaining EN services or reducing their dependence on benefits. Resuming timely progress reviews, they said, would be a positive motivator for ticket holders to engage in EN services essential to obtaining and retaining employment and, ultimately, reducing dependence on benefits.

During the course of our review, in November 2010, representatives of the Ticket program manager (a private company contracted to conduct much of the day-to-day operations, including timely progress reviews) reported they began limited resumption of timely progress reviews, mailing out requests for information on timely progress (the first step in the review process) to roughly 4,900 of the 19,000 ticket holders, or about 26 percent, due for review in November 2010. Given that at the time of our review SSA estimated between 13,000 to 22,000 ticket holders will be due for timely progress reviews each month during the first year of resumption, there is potential for a significant backlog in such reviews. Further, SSA

<sup>26</sup>Ticket holders who assign their tickets are generally required to make timely progress toward self-supporting employment. 20 C.F.R. § 411.160 (2010). A ticket holder who does not meet the timely progress requirements is no longer exempt from medical continuing disability reviews. 20 C.F.R. § 411.210(a) (2010).

---

and program manager representatives told us they will rely on ticket holder and EN self-reported information to assess progress and determine who will continue to receive a CDR exemption, and that they do not intend to independently verify this information against employment records or education documentation. In our past work, we have found that reliance on self-reported information alone can lead to overpayments of SSA benefits.<sup>26</sup>

Accordingly, we recommended that SSA develop a strategy to both ensure that progress reviews of ticket holders are completed promptly and ensure the accuracy of information received. Since our report was issued, SSA has reported they are reducing the backlog of reviews. In addition, SSA has stated that the agency will review a random sample of beneficiaries' cases to check the accuracy and reliability of information compiled when making timely progress review decisions. We welcome such reviews, but continue to be concerned that SSA may not have reliable information on the front end to make timely progress determinations. Given that these reviews are intended as a key integrity tool—to ensure exemptions from CDRs for beneficiaries are appropriate—we continue to believe that SSA needs a more strategic approach to ensure promptness and accuracy.

---

Chairmen, Ranking Members, and Members of the Subcommittees, this concludes my prepared statement. I would be happy to answer any questions that you may have at this time.

---

## Acknowledgements

For further information regarding this testimony, please contact Daniel Bertoni at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov). In addition, contact points for our Offices of Congressional

---

<sup>26</sup>GAO, *Supplemental Security Income: SSA Could Enhance Its Ability to Detect Residency Violations*, GAO-03-724 (Washington, D.C.: July 29, 2003) and GAO, *Benefit and Loan Programs: Improved Data Sharing Could Enhance Program Integrity*, GAO/HEHS-00-119 (Washington, D.C.: Sept. 13, 2000).



---

Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony are Jeremy Cox, Cady Panetta, and Kristen Jones. Other staff who contributed includes Susan Aschoff, James Bennett, Paul Desaulniers, Luann Moy, Margeaux Randolph, Wesley Sholtes, Vanessa Taylor, and Craig Winslow.

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

<b>GAO's Mission</b>	The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.
<b>Obtaining Copies of GAO Reports and Testimony</b>	The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website ( <a href="http://www.gao.gov">www.gao.gov</a> ). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <a href="http://www.gao.gov">www.gao.gov</a> and select "E-mail Updates."
<b>Order by Phone</b>	<p>The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <a href="http://www.gao.gov/ordering.htm">http://www.gao.gov/ordering.htm</a>.</p> <p>Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.</p> <p>Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.</p>
<b>Connect with GAO</b>	Connect with GAO on facebook, flickr, twitter, and YouTube. Subscribe to our RSS Feeds or E-mail Updates. Listen to our Podcasts. Visit GAO on the web at <a href="http://www.gao.gov">www.gao.gov</a> .
<b>To Report Fraud, Waste, and Abuse in Federal Programs</b>	<p>Contact:</p> <p>Website: <a href="http://www.gao.gov/fraudnet/fraudnet.htm">www.gao.gov/fraudnet/fraudnet.htm</a></p> <p>E-mail: <a href="mailto:fraudnet@gao.gov">fraudnet@gao.gov</a></p> <p>Automated answering system: (800) 424-5454 or (202) 512-7470</p>
<b>Congressional Relations</b>	Ralph Dawn, Managing Director, <a href="mailto:dawnr@gao.gov">dawnr@gao.gov</a> , (202) 512-4400 U.S. Government Accountability Office, 441 G Street NW, Room 7125 Washington, DC 20548
<b>Public Affairs</b>	Chuck Young, Managing Director, <a href="mailto:youngc1@gao.gov">youngc1@gao.gov</a> , (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548



Please Print on Recycled Paper

Chairman JOHNSON. Ms. Russell, welcome. It is good to see you again. Please proceed.

**STATEMENT OF DEB RUSSELL, MANAGER, OUTREACH AND  
EMPLOYEE SERVICES, WALGREEN COMPANY, DEERFIELD,  
ILLINOIS**

Ms. RUSSELL. Thank you. Chairmen Johnson and Davis, Ranking Members Becerra and Doggett, thank you for the opportunity to testify today on behalf of our company.

My name is Deb Russell, and I am a corporate manager at Walgreens. In this role I am responsible for our efforts to include people with disabilities in our 20 distribution centers that serve our 7,700 stores in all 50 States, the District of Columbia and Puerto Rico. Overall, this division employs nearly 10,000 full-time employees.

Walgreens is committed to offering and enhancing employment opportunities for people with disabilities. I realize that this hearing is dedicated to individuals who are recipients of SSI and SSDI, but it is difficult to speak about employing them without speaking about our overall experience. And to qualify, when we speak of people with disabilities, we are speaking about people who have disclosed their disabilities to us.

Walgreens started intentionally recruiting people with disabilities with the opening of our distribution center in Anderson, South Carolina. Since the opening of that facility, we have found that our model works in new as well as older buildings and in our stores. However, the most rewarding demonstration of our success is the high number of companies who have toured our facilities and asked us for assistance in the development of a strategy that will work for them. Companies like Lowe's, Best Buy, AT&T and Procter & Gamble have dedicated staff and time to learn about our inclusion and then gone back and designed efforts that have brought them great success as well.

We teach them about the factors we think made us successful and seem to be universally true, which are that we need partners, education, and high standards. We have learned that we do not need to have all the answers, and, in fact, we have found that companies who approach inclusive employment with that requirement seem to struggle to get their initiatives off the ground. We do not pretend to be perfect at this nor to have all the answers, but we are always happy to share our story in hopes that it will inspire others.

Our relationship with Social Security started in 2007. As we discovered our success in Anderson, we looked for ways to ensure we could sustain our efforts. The Ticket to Work seemed like a good fit. The program has offered us a way to access resources that sustain needed accommodations, like sign language interpreters.

The Ticket to Work's outcome payment method is a good match since we employ everyone in our distribution centers full time and at a starting pay average of over \$12 per hour.

We have three criteria for participating in this program. We do not want a heavy administrative burden. We do not want to compete with any other ENs to assign an employee's ticket and therefore provide the supports needed, and we do not want to have to

manage mass inquiries from ticket holders. We also want to avoid the real or perceived conflict of interest of being an employer which requires our employees to achieve high standards and for each month the employee remains with us.

Throughout our experience as an EN, multiple changes to the program and the contract have made it more difficult for us to maintain our status. Each round of changes seems to focus on the services an EN will offer prior to employment, which is not a good fit for us. And the changes usually require more documentation and information that we do not have access to as an employer. During this time both Maximus and the staff at the Social Security Administration's Office of Employment Supports have worked with us to be sure that they had the information needed, but allow us to deliver it in the easiest way possible.

We have had 27 tickets assigned during our time as an EN. The most we have had at one point in time was 16. And to date, we have collected a little more than \$300,000. We now have seven tickets that have reached maximum reimbursement, meaning they have worked for us long enough to no longer have their ticket high value. We are sure that many more of our employees have had tickets, but for many reasons have not surfaced through our Ticket activities.

In addition to the Ticket program, we have interacted with WIPA. In Anderson, the benefits person attended multiple new employee benefit sessions to ensure he could provide thorough information to our employees regarding the impact of earnings and employee benefits on their public benefits. In all other buildings, our human resources staff are familiar with where to find their local WIPA contact information if an employee expresses a concern.

As we continue to partner with the disability community, we still hear from agencies and parents that loss of benefits is an issue, but we do not hear this from our employees. We have no knowledge of anyone terminating their employment with us due to overpayments or the desire to maintain benefits as an alternative to work. I admit that many of our employees need assistance with wealth management and learning how to manage a life that is no longer deep in poverty, but they are not electing to stay home and collect a small check and stay immersed in the system.

As we move our inclusion efforts into our stores, we do anticipate benefits being more of an issue since the nature of the retail industry is lower hourly pay combined with part-time and sometimes irregular schedules. Many of our retail employees will probably straddle employment and benefits, which is why we will not expand our role of an EN for our store employees. However, we will continue to offer information on local WIPA services to hopefully alleviate doubts and issues that come with remaining part of the benefits system while being successful in a job.

For many of our employees with disabilities, Walgreens is their first full-time job. We have seen the improvements in their lives as they earn and receive recognition for a job well done and build relationships with other team members.

I do not minimize the extraordinary challenges facing people with disabilities who join the workforce, but the toughest challenge of all is when people with disabilities are seen as "them" and not

as “us.” A job changes that. A job is more than a paycheck. It is a source of dignity. The workplace can be a fulfilling place, a place where people with disabilities transform their lives from the margins to the mainstream. At Walgreens, we feel fortunate to have made the commitment to invest in employing people with disabilities, people who make such an enormous contribution to our company, our customers and their community.

Thank you for the opportunity to tell our stories. I would be happy to answer any questions.

Chairman JOHNSON. Thank you, ma’am. I appreciate that. Thank you for letting us visit your center down there.

[The prepared statement of Ms. Russell follows:]



**Testimony of**

**Deb Russell  
Manager, Outreach and Employee Services  
Supply Chain and Logistics  
Walgreen Co.  
Deerfield, Illinois**

**on**

**Work Incentives in Social Security Disability Programs**

**to**

**United States House of Representatives  
Ways and Means Committee  
Subcommittees on Social Security and Human Resources**

**Friday, September 23, 2011**

Walgreen Co. Corporate Offices  
200 Wilmot Rd.  
Deerfield, IL 60015  
[www.walgreens.com](http://www.walgreens.com)

Chairmen Johnson and Davis, Ranking Members Becerra and Doggett: Thank you for the opportunity to testify today on behalf of our experience employing people with disabilities – including the remarkable women and men who enrich the Walgreens workforce and contribute to our service to families and communities.

My name is Deb Russell, and I am a Corporate Manager at Walgreens. In this role, I am responsible for our efforts to include people with disabilities in our workforce in Supply Chain which serves our 7,600 stores in all 50 states, the District of Columbia, and Puerto Rico. This includes 17 distribution centers, which employ nearly 10,000 full-time employees.

Walgreens is committed to offering and enhancing employment opportunities for people with disabilities. This commitment goes further than simply complying with our legal obligations under the Americans with Disabilities Act, and I appreciate the chance to describe our experience at Walgreens.

#### **The Walgreens experience**

Our experience began in 2003, when we were planning for a new-generation distribution center in Anderson, South Carolina. Our objectives were straightforward: First, to build a center that was more productive than any we had ever built, with a new foundation of systems, machines and processes.

Second, we wanted to have an inclusive environment where one-third of the workforce was made up of people with disabilities who might not otherwise have a job. But we also wanted a sustainable business model – an inclusive workplace where people with and without disabilities work side by side, earning the same pay, doing the same jobs and held to the same productivity and other workplace standards.

In the months preceding the opening of our Anderson distribution center in 2007, we worked with local agencies to train and attract people with disabilities for employment at the facility. Anderson was the first facility of its kind to employ a significant number of people with disabilities. Today, nearly 40 percent of the facility's workforce has a physical or cognitive disability, exceeding our goal.

Two years later we opened an identical distribution center in Windsor, Connecticut, with the same design and workforce inclusion elements in mind. Similar to Anderson, employees with disabilities have been trained to work side by side with other team members – with the same productivity goals, earning the same pay. And like Anderson, nearly 40 percent of the workforce is composed of people with disabilities.

Shortly after opening our Anderson distribution center, we quickly learned that employing people with disabilities did not require all the technology and automation associated with our



new design, and that it was applicable to all 17 of our distribution centers across the United States and Puerto Rico. In late 2007, we set a goal to fill 10 percent of the jobs at our distribution centers with people who have disabilities – or about 1,000 in all – by 2010. At the end of this summer, we employ over 970 employees with disclosed disabilities. We continue to move forward aggressively, and this past summer our front-line managers set a new goal to continue increasing the hiring of people with disabilities at our distribution centers by seeking to double our percentage over the coming years.

I say, without equivocation, that our expectations for hiring people with disabilities have been exceeded. We're now broadening our job opportunities for people with disabilities beyond our distribution centers. Last year we launched a pilot program to hire people with disabilities for a significant number of service clerk openings at stores in the area. What led to this new pilot was a partnership between the Texas state vocational rehabilitation agency, DARS (Department of Assistive and Rehabilitative Services), and our distribution center near Dallas that resulted in a successful spin-off training program for our stores in the area. Stores volunteer to work with local agencies in training candidates for store positions with the objective of creating a pool of qualified applicants with disabilities. This pilot has proven to be successful and we will be rolling this out across the country in 2012.

Our experience illustrates the benefits of working in partnership with organizations that serve people with disabilities. In fact, we have found that the variety of partnerships we have with state, county and non-profit agencies are crucial to our efforts to employ people with disabilities – they provide the tools and expertise to help those individuals succeed. Perhaps the success of our employees with disabilities will encourage service agencies and their supporters to focus on competitive employment opportunities and success.

We hope our efforts can open doors for people with disabilities in other businesses. So far, we have partnered with other companies such as Sears, Best Buy and Lowe's, which have since launched their own initiatives. We have thrown our doors open to other businesses that have interest in employing people with disabilities – we are happy to share what we've learned and our experiences. We have conducted tours and hosted "boot camps" where company managers can gain actual hands-on experience in an inclusive work environment. And this includes our competitors. The success of our employees with disabilities is too important not to share with other companies and interested parties.

#### **What we have learned**

To help other businesses benefit from our experience, and perhaps help efforts by policymakers to encourage employment of people with disabilities, let me walk through the most important lessons Walgreens has learned – and assumptions and biases we have shattered – as we pursued our commitment.

First, the biggest challenge was making the decision. We knew there would be obstacles and mistakes along the way. Will this work? Will we find qualified people? Can we train them to be productive and succeed in our work environment? What about the impact on other employees? Will it affect costs and productivity overall? Fear of the unknown and the risk of failure can be the toughest barriers in business, especially when people's lives and livelihoods are involved. Nobody wants to be blamed for good intentions with faulty outcomes. We knew that if we had to answer every "what if" before proceeding, we would never get started. So we decided to learn and adjust as we moved forward. In our experience, if businesses can garner the courage to cross the line and hire people with disabilities, then they will discover the same benefits we have.

Second, good partners are key. We found great partners in the community who could help us find and train potential employees. In Anderson, we worked with the Anderson County Special Needs and Disability Board who opened up and staffed a training center a year ahead of our opening to ensure that we had a pool of qualified candidates. In Connecticut, we worked with the state vocational rehabilitation agency, which coordinated across various providers to bring forth candidates and train them in our training center within the distribution center. In working across the United States, we learned that all potential partners are not the same in terms of resources, focus, the access to pool of candidates, energy and approach. The availability and our assessment of partners' abilities, resources and commitment weighed heavily in our site selection. In all of our Distribution Centers, we rely on the assistance and partnership of local agencies, sometimes the state Vocational Rehabilitation agency, sometimes a coalition of local service agencies with no affiliation with Voc Rehab, and several combinations of both.

Third, we didn't have to create a lot of special accommodations to employ people with disabilities. We have been just as successful in employing people with disabilities at distribution centers without the most advanced technology like Anderson. It turned out that most of the steps we took to make work easier and more productive for people with disabilities made work easier and more productive for all employees. We have found that most of the special accommodations for people with disabilities cost less than \$25 (excluding sign language interpreters) and is money spent wisely to result in a successful employee. For instance, one team member with obsessive-compulsive disorder was failing to make the productivity standard because he was fixated on how he was opening the box rather than on the number of boxes he was completing. We provided a simple card with the number of squares representing the number of boxes that he should complete each hour to help shift his focus, this resulted in his success.

Fourth, we found that the "build-it-and-they-will-come" approach is not good enough. In other words, having an inclusive work environment, an accommodating workplace, and a welcoming attitude may be insufficient to attract people with disabilities to your workforce. Businesses may not have access to these potential employees because they're unaware of the service agencies or partnership opportunities. Or local agencies may not know about the commitment, they may not make employment a priority, or they do not have the resources to help their clients join the

workforce and succeed there. Some people with disabilities who self-advocate may give up trying to find a job after facing repeated disappointment. We had to work harder than we expected to find applicants and work with partners to get them the necessary preparation and job training.

Fifth, we discovered we had our own invisible walls, including how we defined jobs, and how we interpreted laws and regulations. For example, would we risk violating workplace safety rules if we have a forklift driver who is hearing impaired? Would we risk violating equal opportunity protections if we advertise openly that we were seeking people with disabilities (without equal mention of other groups)? Sometimes the rules designed to protect people can seem like barriers to helping people. Sixth, we underestimated the abilities of people with disabilities. We were told, and part of us believed as most people do, that people with disabilities could not work overtime ... that certain people could not do certain jobs ... that "they" could not adapt to new jobs and situations ... and "they" could not perform time-sensitive, fast-paced, high-quality work.

We found these generalizations to be false. Our employees with disabilities showed that they can be successful in highly competitive environments and triumph over these biases every day. These are terrific employees and they meet and exceed the same performance requirements for all employees.

Seventh, for us and for those businesses we have partnered with, this is a movement of attraction not coercion. That is, we have had no problem in finding employees who want to be part of this effort. During our planning phase, as it became known throughout the company I received countless calls from employees in other areas offering their help. When we asked our Dallas/Ft. Worth store managers for volunteers to serve as advocates and training stores, we hoped for ten but got 38 volunteers on the spot.

Finally, it has changed us for the better. In our commitment to employing people with disabilities, great performance was something we hoped for. We have gotten it. We have been rewarded with a safe, dependable and productive workforce.

Along the way, we discovered another, more intangible but powerful benefit. That is the impact our commitment to employing people with disabilities has had on our work environment and on each one of us.

As you walk through these buildings, there is a sense of teamwork, common purpose and mutual respect unlike we had ever experienced. We set out to change the workplace but instead found that we were the ones who were changed.

We learned that working with people with disabilities requires that we view each person as an individual whose gifts may not be readily apparent. Treating each person as an individual is something we in business talk about, but fall short in actual practice. We have found that in making people with disabilities successful, it requires us to be so. As a result, we become better managers and leaders and we all benefit.

More importantly, no matter how different we seem, we are more alike than we are different. In going through the effort to unleash each person's gifts, we have discovered the completeness in all of us. There is no "them" and "us." For those directly involved, it is as if we have been awakened from our slumber of self. The satisfaction of our own success does not compare to the satisfaction of making those around us successful. This has made us better stewards of our work. And more importantly, better parents, better spouses, better citizens and better people.

#### **Work incentives programs**

Our relationship with Social Security and our employees who are beneficiaries of SSI and/or SSDI started in 2007. As we started to discover our success with employing people with disabilities, we wanted to look for ways to ensure we could sustain our efforts. The Ticket to Work seemed like a good fit. The program has offered us a way to access resources to sustain needed accommodations like sign language interpreters. In completing the application to be an EN (Employment Network), many components of the program created some complications. Trying to equate how services were defined and translate that to the services and supports we provide our employees was just one small step. We did not want a heavy administrative burden, we did not want to compete with any other EN who could assign an employee's ticket and therefore provide needed supports, and we did not want to have to manage mass inquiries from ticket holders. We wanted to avoid the real or appearance of conflict of interest between being an employer, requiring our employees to achieve high standards and receiving resources for each month the employee remains employed. The Ticket to Work's outcome payment method was a good match for our situation since we employ everyone in our Distribution Centers full time and at a starting pay rate average of over \$12 per hour. This pay level puts all employees above SGA and/or the SSI break-even point. We have had 27 tickets assigned during our time as an EN. The most we have had at one point in time was 16. To date we have collected a little more than \$300,000 through ticket payments. We now have 7 tickets that have reached maximum reimbursement.

Throughout our experience as an EN, each time regulations are proposed and/or changed; it makes it more difficult for us to maintain our status as an EN, since one of our criteria to continue participation in the program is minimal administrative burden. Each round of changes seems to focus on the services an EN will offer prior to employment; since this does not apply to us (we don't assign tickets for people who are not already our employees). However, these usually include more documentation and more administrative burden of information that we do not have accessible as an employer. Throughout our time as an EN, both Maximus and the staff

of Social Security Administration's Office of Employment Supports have worked with us to be sure they have the information needed but that we can deliver it in the easiest way. In addition to the Ticket program, we have interacted with WIPA as well. In Anderson, SC the WISC attended multiple new employee benefits sessions to ensure he fully understood the benefits we offer to employees, this allowed him to provide thorough information to our employees regarding the impact of earnings on his/her benefits. In other buildings, all human resources staff has been educated on where to find the contact information for their local WIPA service. This allows us to ensure accurate information is available to our employees who may have questions about earnings and their benefits.

We have had two requests for letters /information to support subsidy work incentives. Beyond that, we do not have direct knowledge of employees using work incentives.

#### **Closing observations**

For many of our employees with disabilities, Walgreens is their first full-time job. We've seen first-hand the improvements in their lives as they earn and receive recognition for a job well done and build relationships with other team members. We have relied on my relationships with employees within the Social Security Administration and the, now sunset, Ticket to Work and Work Incentives Advisory Panel to help us navigate the barriers that inadvertently make it more difficult to participate as an EN. We have no knowledge of any employee terminating their employment with us due to overpayments or the desire to maintain benefits as an alternative to work. As we continue to partner with the disability community, we continue to hear from agencies and parents that these are potential concerns, but not from our employees. I admit many of our employees need assistance with asset development and learning how to manage a life that no longer is deep in poverty but they are not electing to stay home and collect a small check and stay immersed in the "system". As we move our inclusion efforts into the stores, we do anticipate benefits being more of an issue since the nature of the retail industry is lower hourly pay combined with part time and sometimes irregular schedules. Many of our employees will probably straddle employment and some benefits, which is why we will not expand our role as an EN for our store employees. However, we will continue to offer information on local WIPA services to hopefully alleviate doubts and issues that come with remaining part of the benefits system while being successful in a job.

I do not minimize the extraordinary challenges facing people with disabilities in joining the workforce. They may not have access to transportation, they may have difficulty with the application process, they may not interview well, they may not learn in the way we teach or along the same timeline as we are accustomed, and so on.

But the toughest challenge of all is when people with disabilities are seen as "them" and not as "us." A job can change that. A job is more than a paycheck; it is a source of dignity. The workplace can be a productive and fulfilling place — a place where people with disabilities

transform their lives from the margins to the mainstream, and can be seen as the valuable and complete people they are.

Walgreens is fortunate to have made the commitment to invest in employing people with disabilities, people who make such an enormous contribution to our company, customers and community, and who succeed in pursuing their dreams and careers. And for those who have been directly involved, it has provided more meaning and satisfaction than we ever would have dreamed.

Thank you for the opportunity to tell our story.

As I will discuss, we've learned that broadening our workforce by employing people with disabilities is not only the right thing to do, but it also it makes good business sense and has benefits that reverberate across our company and culture.

Chairman JOHNSON. Mr. Hanophy is from the great State of Texas. Is your son the one that caused Texas A&M to leave the Big 12 conference?

Mr. HANOPHY. I didn't want to mention that, but——

Chairman JOHNSON. Welcome. Please go ahead with your testimony.

**STATEMENT OF JAMES HANOPHY, ASSISTANT COMMISSIONER, TEXAS DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES, AUSTIN, TEXAS, ON BEHALF OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION**

Mr. HANOPHY. Good morning, Chairman Johnson, Chairman Davis and Ranking Members. I am here representing the Council of State Administrators of Vocational Rehabilitation to discuss Ticket to Work and work incentives designed to help beneficiaries with disabilities return to work.

The public vocational rehabilitation system serves over 1 million people with disabilities every year, and in 2010 helped approximately 172,000 people become employed and taxpaying citizens. On average, the typical VR consumer will pay back through their taxes the cost of their VR services in just 2 to 4 years.

The VR program has a longstanding partnership with Social Security. Social Security reimburses the VR agencies for the cost of services provided to the beneficiary only after that individual has achieved earnings above substantial gainful activity, which is approximately \$1,000 a month for 9 months of any 12-month period. The reimbursements earned from Social Security enable VR agencies to serve more consumers and in some States serve consumers on their waiting list.

CSAVR is grateful to Social Security for initiating positive changes in the new Ticket to Work regulations, such as Partnership Plus that redefines the relationship between SSA beneficiaries who want to work, VR agencies, and ENs. This, in my opinion, creates a five-way win. VR and the EN win because we are able to help a beneficiary go to work in a coordinated way with funding supports. The taxpayers win as people become less reliant on benefits and more self-supporting. The business wins because they are able to hire a qualified applicant who has been screened and will be well supported. And most of all, the beneficiary wins because they are able to go to work in a job that meets their talents, interests, and receive the work supports they may need.

VR agencies and ENs are developing innovative arrangements to provide services to meet the needs of beneficiaries. In Texas, the VR program offers incentive payments called Employment Advancement Payments to EN providers for services from the EN if a beneficiary reaches and maintains substantial gainful activity. Partnership Plus also funds ongoing supports for ENs who provide embedded training within the Texas VR within our business customers where we do preemployment training.

In Connecticut, Utah, Vermont, Virginia, as well as many other States, VR programs and ENs are working creatively to streamline processes, coordinate services, and leverage funding to increase

successes for beneficiaries. These arrangements are as different as the States themselves, which adds to the value of Partnership Plus.

In Connecticut, the VR program is also working with Walgreens, who is an EN, to meet their business needs. Walgreens built a state-of-the-art distribution center where now currently 45 percent of the employees are people with disabilities.

In addition to highlighting the Partnership Plus successes, these examples also illustrate the success the VR program has had in developing a dual-customer approach, whereby VR works for both a person with a disability and a business as customers. The VR National Employment Team consists of VR agencies that have developed a network of business partners committed to hiring qualified applicants who have disabilities, resulting in more full-time jobs with benefits and career opportunities for SSA beneficiaries. An example of this is the partnership with Walgreens and Texas, where one-third of the people hired at the distribution center in full-time jobs with benefits are SSA beneficiaries.

We would also like to offer some suggestions for program improvements. People who come on the disability rolls earlier stay longer, cost more, and lose out on work opportunities. Social Security might explore an option of paying more for outcome payments or offering bonus payments for serving younger beneficiaries.

Also, while not inherently part of the Ticket, we urge the Committee and SSA to aggressively explore an early intervention model for applicants for SSI and SSDI benefits. CSAVR has developed a risk-free early intervention proposal that might help applicants try to work first. This is attached to our written testimony. This completely voluntary program would not stop the disability application process; however, before eligibility for benefits is determined, an applicant would be provided immediate access to temporary cash assistance, immediate access to health care, and immediate access to vocational services designed to help a person go to work. The proposal would suspend the Social Security disability application once employment above SGA is found. However, if employment fails, the work effort would not be considered as evidence against the participant in their application for disability benefits. We believe a pilot targeted to a select number of States with a sample of applicants would cost little and inform us greatly about the potential.

Last, it is important to keep in mind the effort to help SSA beneficiaries return to work is more than just a matter of having a ticket. SSA funds the Work Incentive Planning and Assistance project, or WIPA, and we cannot stress strongly enough how important benefits planning is to helping SSA beneficiaries understand the various work incentives in SSI and SSDI. CSAVR respectfully requests the Committee to reauthorize the WIPA program in a timely fashion and provide the resources needed to ensure this critical service is available to beneficiaries. The WIPA project is a proven benefit that works and deserves our full support.

Again, thank you for the opportunity to testify, and I will answer any questions you have.

Chairman JOHNSON. Thank you, sir.

[The prepared statement of Mr. Hanophy follows:]





# COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

1 Research Court, Suite 450  
Rockville, MD 20850  
(301) 519-8023 phone  
www.rehabnetwork.org

*Chief Executive Officer*  
Stephen A. Wondolowski  
sawondolowski@rehabnetwork.org

## OFFICERS

### President

Jim Harrold

Austin, Texas

### President-Elect

Kim Pock

Minneapolis, Minnesota

### Secretary/Treasurer

Charlotte Dwyer

Madison, WI

## REGIONAL REPS

### Region I

Janet Lubrick

Boston, Massachusetts

### Region II

Vito De Santis

Newark, New Jersey

### Region III

Robert Foy

New Castle, Delaware

### Region IV

Linda Harrington

Raleigh, North Carolina

### Region V

Richard Strong

St. Paul, MN

### Region VI

Mike O'Brien

Oklahoma City, OK

### Region VII

Keane Kuehn

Des Moines, Iowa

### Region VIII

Nancy Smith

Denver, CO

### Region IX

Katharine Loveland

Phoenix, AZ

### Region X

TBD

## COMMITTEE CHAIRS

### Direct Client Services

TBD

### Dead, Hard of Hearing

Lisa Usatinski & Cheryl Hines

Aliso Viejo, CA

### Employment

Barry Vail, NIA General

Janet Lubrick, Mass. Blind

### Human Resource Development

Anthony "Tony" Sauer, California

Charlotte Dwyer Wisconsin

### Legislative

Diane Dillman, VT Coordinator

### Management Services

Jay C. Porter, MI General

Dustin McMillan, ARS Coordinator

### Rehabilitation Research

Debi North, KY General

### Social Security Relationships

Don Ughetto, IL Coordinator

### Transition

Andy Evans, CT General

### Veterans

Mike O'Brien, OK Coordinator

Vito De Santis, ARS General

## Written Testimony of the

## Council of State Administrators of Vocational Rehabilitation (CSAVR)

## before

## The House Ways and Means Social Security Subcommittee & Human Resources Subcommittee

## Hearing on

## Work Incentives in Social Security Disability Programs

September 23, 2011

Good morning Chairman Johnson, Chairman Davis, Ranking Member Becerra, Ranking Member Doggett and members of the Social Security and Human Resources Subcommittees. My name is Jim Hanophy. I am the Assistant Commissioner of the Texas Department of Assistive and Rehabilitative Services and the current President of the Council of State Administrators of Vocational Rehabilitation. I am pleased to be here this morning on behalf of the CSAVR and its member agencies to discuss with you the Ticket to Work and the work incentives designed to help SSDI and SSI beneficiaries with disabilities return to work.

The Public Vocational Rehabilitation program, in existence for over 90 years, is a state-federal partnership that serves over one million people with disabilities annually. Combined funding for the program in FY 2011 is slightly more than \$3.7 billion.

In FY 2010 the VR program assisted approximately 172,000 Americans with disabilities go to work and become taxpaying citizens. Together they earned about three billion dollars in wages in their first year of work and paid close to one billion dollars in federal, state and local taxes. On average, VR consumers who enter the workforce will pay back the cost of their rehabilitation services, through taxes, in just two to four years.

In data reported to the Rehabilitation Services Administration for FY 2010, approximately one-quarter of those consumers whom state VR agencies helped become employed nationwide were SSI/SSDI beneficiaries. Social Security reimburses a VR agency for the cost of the services provided to a beneficiary only after the individual has achieved earnings above the Substantial Gainful Activity level (approximately \$1000/month) for 9 months of any 12 month period. The reimbursements earned from Social Security enable the VR agencies to serve more consumers and, in some states, serve consumers who are on waiting lists.

According to the Social Security Administration, VR's assistance to these SSA beneficiaries results in a projected lifetime SSA recoupment rate of \$7.00 for every \$1.00 reimbursed to VR. These former SSA beneficiaries will generate \$828 million of savings to the Social Security Trust Fund and the federal treasury.

The VR program also has a long history of working with the Social Security Administration (SSA). State VR agencies operate approximately one-half of the Disability Determination Services (DDS) offices. Recently, many DDS offices run by VR agencies took on additional workloads to help SSA in their efforts to clear their disability determination backlog.

The Ticket to Work program, passed by Congress in 1999, was intended to give Social Security beneficiaries a choice in the selection of their vocational rehabilitation service provider. However, after the first regulations were published in 2000 and the first Tickets were sent out to beneficiaries, there was very little change in the choice of service providers. More than 90 percent of Tickets went to State VR agencies rather than to Employment Networks or ENs. In addition, the regulations and the accompanying Transmittal 17 created controversy between VR and ENs by automatically assigning a beneficiary's Ticket to VR once their Individualized Plan for Employment (IPE) was signed. In hearings before this Committee, testimony from advocacy groups told of how

the 1999 regulations were unworkable. Further, the TWWIA Advisory Panel in 2003 wrote to Martin Gerry, then the Deputy Commissioner for the Office of Disability and Income Security Programs and Robert Pasternack, then the Assistant Secretary for the

Office of Special Education and Rehabilitative Services, about the issues and concerns created by the Ticket regulations and Transmittal 17. Despite the urging of advocacy groups and the State VR agencies, the Ticket regulations remained unchanged until 2008 when SSA enacted changes in the regulations, repealed Transmittal 17, and created what is now known as Partnership Plus.

Partnership Plus more closely equalized payments for serving SSDI and SSI beneficiaries and increased the amount that ENs would be paid under the Ticket program. In addition, the new regulations redefined the relationships between VR agencies, ENs and SSA beneficiaries by allowing VR agencies and ENs to coordinate and provide a more seamless array of services to beneficiaries to help them obtain and retain employment. These positive changes in the new regulations permit SSA to pay a VR agency for serving a beneficiary under the cost reimbursement program. When the VR case is closed the beneficiary can assign their Ticket to an EN that can subsequently receive Milestone and Outcome payments for the provision of additional services. If the VR agency closed the case with the beneficiary in employment the Phase 1 Milestones are not available to the EN because VR provided the services that led to job placement. The Phase 2 Milestone and Outcome payments would be available to the EN when the beneficiary obtained work and earnings adequate to trigger those payments. Partnership Plus has created opportunities for VR agencies and ENs to partner and provide ongoing support and job retention services to beneficiaries as they move towards self-supporting employment.

CSAVR is grateful to SSA for initiating positive changes to the regulations and continuing to work with VR agencies and ENs to craft a Ticket program that works for all participants.

In state after state, VR agencies and ENs are developing innovative arrangements to provide services that meet the needs of SSA beneficiaries. These arrangements are as different as the states themselves.

In Texas, under the Social Security Administration's Ticket to Work Partnership Plus Program, The Department of Assistive and Rehabilitative Services (DARS) and Employment Networks (ENs) partner to provide a seamless system of service delivery that supports a Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) beneficiary in their effort toward achieving and maintaining self-supporting employment. DARS provides vocational rehabilitation services, including job placement or supported employment, if appropriate, and, after VR case closure, an EN provides ongoing job supports and services to ensure that the consumer maintains and has opportunities to advance in employment.

DARS offers incentive payments called EN Employment Advancement Payments to DARS Community Rehabilitation Program (CRP) providers under the following circumstances:

- the CRP is an approved EN with the SSA;
- DARS purchased job placement (JP) or supported employment (SE) services from the CRP-EN for the consumer, and those services resulted in a successful case closure;
- following VR case closure, the consumer assigns his or her Ticket to the CRP-EN as one of the primary providers who will help the consumer achieve an identified long-term support need.

Texas also takes advantage of Partnership Plus by moving beyond placement and supported employment services to fund ongoing job supports from CRP-ENs who provided embedded training within a DARS business customer. Training programs take place at the business site and vary in length and scope depending on the needs of the business. When consumers complete the training, they are either hired by that company or placed with another company in the same industry. The CRP-EN that provides that training and assistance with placement is able to provide longer term support where needed because of Partnership Plus. In some situations, the business that hires the person has become the EN and provides individualized supports to the employee to help them be successful on the job.

In addition to highlighting the partnership plus success, these examples also illustrate the success that the public VR program has had in developing a dual customer approach; whereby VR works with both the person with a disability and a business as customers. The VR National Employment team (TheNET) consists of the VR programs belonging to CSAVR and has developed a network of business partners committed to hiring qualified employees who have disabilities. This has led to more full time jobs with benefits and career opportunities for SSA beneficiaries. For example, as a result of the partnership with Walgreens in Texas, 1/3 of the people hired at the distribution center in full time jobs with benefits are SSA beneficiaries.

In Connecticut, The Bureau of Rehabilitation Services (BRS) took the lead in convening a work group of service providers and other agency partners to explore how to utilize the Ticket Program to both encourage successful employment and expand resources for SSI and SSDI consumers. BRS supported ongoing dialogues and provided technical assistance to ensure a complete understanding of the opportunities under the new TTW Program. In an effort to take full advantage of the Partnership Plus option, BRS will serve all beneficiaries under the CR program. When VR closes a case, the beneficiary will be encouraged to assign his/her Ticket to an EN and receive ongoing support services, job retention services and other types of support. BRS expects to benefit as more beneficiaries attain the nine months of net SGA earnings that trigger CR payments. ENs expect to benefit as more resources are brought into the provider network through Phase 2 Milestone and Outcome payments. A goal is to increase the overall resources to the employment system in CT by increasing both CR payments to BRS and EN payments to community agencies.

BRS is also working with Walgreens, an EN under the Ticket, to meet its business needs. They built a state-of-the-art distribution center in Windsor, CT and set a goal for one-third of its workforce to be employees with disabilities. The VR agency took the lead role in bringing various partners together to help Walgreens achieve this goal, and committed

staff to ensure that we could identify and train an adequate pool of employees. Approximately 45% of the Distribution Center's current workforce is currently made up of employees with disabilities. And as Walgreens expands their business model to their retail side nationally, the CT VR agencies are already partnering with them to make this an equally successful endeavor in our state.

In Utah, a partnership between the Department of Human Services (DHS), the Division of Services for People with Disabilities (DSPD), the UT State Office of Rehabilitation (USOR), private providers and local businesses is looking at the Ticket Program and state "HB 45" funding as an opportunity to ensure ongoing support services for Social Security beneficiaries engaged in supported employment. Individuals who are wait-listed for supported employment services at DSPD and are eligible for "HB 45" funding are referred to USOR where they receive vocational rehabilitation services and are placed in supported employment. When these individuals are stabilized in employment for 90 days, USOR closes the case. A beneficiary with a Ticket has the option of taking his/her Ticket to an EN that provides ongoing supports. The "HB 45" funding would sustain the EN for a period of time until Ticket payments were initiated. Access to work incentives planning is an integral part of this service delivery model.

Other states like Wisconsin are focusing on an expanded Partnership Plus relationship that is referral based from EN to VR and VR to EN, or Vermont where the state VR agency collects and distributes the Ticket payments for the ENs and handles all of the administrative reporting and payment requests that the EN would need to send to SSA. Still other states are like Virginia where VR is using their cost reimbursement funds to pay for the Phase One milestones that ENs forgo when a beneficiary goes to VR first.

As a result Ticket usage has increased, VR reimbursements have increased, more providers are signing up to be ENs and they are receiving more in payments from the Ticket. Though the data may not yet substantiate the improvements, we are hearing from both ENs and State VR agencies that the Ticket program is vastly improved and working better. In fact, we believe that Partnership Plus was what advocates and Congress had in mind when the law was passed almost twelve years ago.

Partnership Plus creates, in my opinion, a 5-way win. The beneficiary wins because they are able to go to work in a job that meets their talents and interests and receive the work supports they may need. VR and the ENs win because they are able to help a beneficiary go to work in a coordinated way with the funding for supports. The business wins because they are able to hire a qualified applicant who will be supported. And the taxpayers win as people become less reliant on benefits and more self supporting.

Are there changes that could be made that would strengthen the program even further? We believe so. For example data show that people who come onto the disability rolls earlier in life and stay on longer and cost the SSDI and SSI programs far more than an older worker in their late 40's or 50's. Further, these individuals lose out on a life of opportunity that work could afford them. SSA might explore the option of paying more in Outcome Payments or perhaps offer additional bonus Outcome Payments for serving younger beneficiaries. We believe this would encourage providers to reach out to

younger beneficiaries without disadvantaging older beneficiaries who might want to work.

Also, while not inherently a part of the Ticket to Work, we urge the Committee and SSA to pilot the idea of early intervention for applicants for SSDI and SSI benefits. We know that SSDI and SSI are safety net programs designed to keep people with disabilities from falling through cracks into crushing poverty. These programs and the accompanying healthcare benefits of Medicare and Medicaid literally save lives. These are programs of last resort, accessed only after a person has exhausted every avenue to remain off benefits. Nonetheless, a well thought out and risk-free early intervention program might help some individuals decide to try work, especially younger applicants. CSAVR has developed such a proposal, which is attached to our testimony. Briefly, CSAVR proposes a completely voluntary program, related to work opportunities, where participation would not stop the disability application process. Before eligibility for benefits is determined, this early intervention model would provide an applicant immediate access to temporary cash assistance, immediate access to healthcare coverage, and immediate access to vocational services designed to assist the person to find work. The proposal would suspend the Social Security disability application once employment above SGA is found, and if employment fails, the work effort would not be considered as evidence against the participant in their application for disability benefits. We believe a pilot targeted to a select number of states with a sample of applicants would cost little and inform us greatly about the potential of this concept. We thank Congressman Kind, Congressman Ryan and Wisconsin DVR for their interest in early intervention models.

It is also important to keep in mind that the effort to help SSA beneficiaries return to work is not just the matter of having a Ticket. There are other key services that must wrap around the Ticket to make work a reality for as many beneficiaries as possible. One key service is benefits planning. SSA funds this critical element in the return to work effort through The Work Incentive Planning and Assistance project, or WIPAs, and we cannot stress strongly enough how important benefits planning is to helping SSA's beneficiaries understand the various work incentives in SSDI and SSI. WIPA currently funds over 100 projects around the country. By working with a WIPA, SSA beneficiaries are better equipped to make informed choices about work. Each WIPA is staffed with Community Work Incentive Coordinators (CWICs). CWICs provide work incentives planning and assistance, help beneficiaries and their families determine eligibility for Federal or State work incentives programs, refer beneficiaries with disabilities to appropriate ENs or State VR agencies based on individual needs and impairment types, provide general information about potential employer-based or federally subsidized health benefits coverage available to beneficiaries once they enter the workforce; and inform beneficiaries of further protection and advocacy services available to them.

WIPAs are authorized to serve all SSA beneficiaries with disabilities, including transition-to-work aged youth, providing benefits planning and assistance services on request and as resources permit. The WIPA program has been level funded since its inception and the resources for this valuable and critical program have not kept up with the demand. Further, reauthorization of the WIPA program has not been consistent and in many years it has occurred at the last moment. CSAVR respectfully requests the Committee to reauthorize the WIPA program in a timely fashion and provide the

resources needed to ensure that this critical service is available to beneficiaries. The WIPA project is a proven benefit that works. In a time of scarce resources, work incentive planning is one area that deserves our full support.

As I mentioned both SSDI and SSI contain an array of work incentives. These incentives help individuals who want to work make the transition from benefits to employment. Currently, SSA's Benefit Offset National Demonstration, or BOND, will test whether a gradual decrease in SSDI benefits will encourage more SSDI beneficiaries to work or work more, than the current all or nothing earnings cash cliff. SSA began The BOND project with an initial four state demonstration that showed that not only will more people work, and those working would work more under a gradual decrease in benefits, but that many people actually limit their work efforts under the current cash cliff because they simply cannot earn enough to offset their entire SSDI benefit. This same gradual decrease is a part of the SSI program and data shows that it is an effective work incentive.

SSA recently proposed a new work incentive for the SSDI program called the Work Incentive Simplification Pilot. While WISP does hold some promise for making work easier for some SSDI beneficiaries, it does not propose eliminating the earnings cash cliff which is a major disincentive to work. Further, CSAVR is not clear about how the new pilot will work in conjunction with the ongoing BOND project which is mandated by Congress as a part of the Ticket to Work legislation.

Another key element in the effort to help beneficiaries return to work is healthcare. The loss of healthcare coverage is perhaps the primary fear among people with disabilities who want to return to work. Medicare and Medicaid provide essential health services that every SSA beneficiary needs to survive as well as return to work. As Congress explores different ways of ensuring the future of these programs, please remember that they make a tremendous difference in lives of people with disabilities on SSDI and SSI. With our economy struggling, people disabilities rely more than ever on Medicare and Medicaid for essential health services.

There are other areas of concern that affect working people with disabilities who leave the SSDI and SSI benefit rolls, one of which is overpayments to former beneficiaries, who are now working and earning above SGA. When beneficiaries faithfully notify SSA of earnings or other changes that may reduce their benefit payment amounts, a considerable amount of time may lapse before SSA sends an overpayment notice to the beneficiary. These notices oftentimes have a debilitating effect on consumers, especially when they reasonably assumed that SSA had processed the information they submitted. Many individuals with disabilities are wary of attempting a return to work out of fear that this may cause an overpayment. CSAVR would like to see SSA work toward developing a better reporting and recording system that would allow for the prompt adjustment of benefit payments –thus preventing these overpayments from occurring. It is important to note that, in and of themselves, overpayments do not indicate fraud or abuse, as beneficiaries are encouraged to work if they are able. The problems occur when reported earnings are not properly recorded and monthly overpayments are not properly adjusted.

Again, I thank all of the Committee members for the opportunity to testify this morning and will answer any questions you may have.

## SAVR

## Employment First

In November 2007 there were nearly 7.1 million Social Security Disability Insurance (SSDI) disabled workers and another 4.2 million Supplemental Security Income (SSI) beneficiaries between the ages of 18 and 64.\* Despite efforts by Congress to improve the employment rate for these beneficiaries, the remains extremely low. There is widespread agreement among rehabilitation professionals and policy experts that early intervention, provided as close to the disability onset as possible, could improve employment outcomes for individuals with disabilities who meet the Social Security definition of disability. Further, the Americans with Disabilities Act (ADA) and medical and technological advances are removing barriers to work and changing the assumptions about what people with disabilities can do and want to do.

(\*SSA Office of Policy at [http://www.socialsecurity.gov/policy/docs/statcomps/oasdi\\_monthly/2007-11/table05.html](http://www.socialsecurity.gov/policy/docs/statcomps/oasdi_monthly/2007-11/table05.html) and [http://www.socialsecurity.gov/policy/docs/statcomps/ssi\\_monthly/2008-03/table02.html](http://www.socialsecurity.gov/policy/docs/statcomps/ssi_monthly/2008-03/table02.html))

The Council of State Administrators for Vocational Rehabilitation (CSAVR) seeks to advance a proposal for Early Intervention that would build on the mutual goal of the Social Security Administration and the Public Vocational Rehabilitation (VR) Program to increase employment outcomes and self-sufficiency for individuals with disabilities through the provision of appropriate services and supports. This proposal, the **Employment First Program**, would leverage the strengths of both programs in advancing this goal. The Early Intervention Demonstration (EID) concepts proposed under Section 234 of the Social Security Act were designed to test whether the provision of employment services and other types of services and supports to specially selected applicants for SSDI can improve return to work outcomes. CSAVR proposes a model that would identify those individuals most likely to pass SSA's criteria for eligibility for SSI or SSDI and redirect many of them to the world of work through Vocational Rehabilitation. This immediate connection with an employment support program can help individuals move towards independence and self sufficiency

In addition, the Public VR program is a natural stop for individuals with disabilities who are eligible to apply for SSDI or SSI programs. The Public VR program shares a long history and productive relationship with SSA and is the most widely used employment support program for beneficiaries, and as such, the VR program is a natural place to experiment with a concept such as **Employment First**.

Under the Employment First Program the intent is to provide working age individuals with disabilities applying for SSI or SSDI the voluntary opportunity to learn about "work" as an option by being



immediately referred to a Social Security Vocational Rehabilitation Counselor (SSVRC). The SSVRC would discuss vocational options and assist the individual in making an informed choice about participation in Employment First. Many individuals with disabilities do not understand their employment potential, and may not fully comprehend the vocational options available to them. The Employment First program provides a new avenue for addressing this issue early in the process for a person applying for Social Security benefits.

Key Components of the Employment First program are:

- The program is completely voluntary; participation does not stop the disability application process
- Immediate access to temporary cash assistance
- Immediate access to healthcare coverage
- Immediate access to vocational services to assist the person find work
- Suspension of the Social Security disability application once employment above SGA is found
- If employment fails, the work effort is not considered as evidence of ability to engage in SGA

#### Access to Temporary Cash Assistance

Employment First would make available temporary cash payments for the individual in an amount equal to the usual SSI or SSDI benefit amount and will include auxiliaries who live in the same household. These benefits would be paid for up to 12 months and would include an SSDI 1-for-2 earnings offset for any earnings in excess of SGA.

These temporary payments would be available during the time the individual is actively participating in the IPE and making progress towards the vocational goal spelled out in the IPE. Any commitment to provide medical assistance and/or pay for living expenses would also be included in the individual's IPE.

#### Access to Medical Insurance & Other Benefits

The individual's healthcare coverage will be determined by the cash program(s) they receive their temporary cash assistance from, SSI, SSDI, or both. The SSVRC will thoroughly review with the individual the following health care coverage options:

- Medicaid (including Medicaid Buy-In programs)
- Medicare
- Private health insurance
- Employer Based health insurance

Also, since many individuals with disabilities are likely to be eligible for other types of public assistance (e.g., food stamps, welfare, subsidized housing, etc.), the SSVRC would be responsible for providing the individual with accurate and timely information about other local, state and federal benefits. The SSVRC would have a basic understanding of benefits information, but the individual and their SSVRC would also be able to access the services of a benefits counselor.

#### Access to Vocational Rehabilitation Services

Under the Employment First program an SSVRC would work with the individual to develop a comprehensive review of the individual's knowledge, skills, abilities, capabilities, resources, and interests, as well as any mental or functional limitations that might result in an impediment or a barrier to employment. Once this assessment is completed, the SSVRC will discuss the results of the assessment with the applicant, and, as appropriate, any friends or family members that might be called on to assist the individual in his/her employment efforts. This discussion will assist the applicant in identifying vocational options that are: 1) of interest to the applicant; 2) in keeping with the results of the applicant's assessment; and 3) reasonable in terms of other relevant factors such as the local economy, the person's ability to relocate, etc. Once appropriate vocational options have been identified, the applicant will work with the SSVRC to narrow those options and identify a specific vocational goal or employment outcome to be sought, and the services and supports needed to facilitate the applicant's ability to achieve that vocational goal or employment outcome and have earnings that would increase the individual's financial self-sufficiency. All of this information would then be used to develop the Individualized Plan for Employment (IPE).

#### Suspension of the Disability Application process

The disability application process and the Employment First application will occur simultaneously. Only once the individual has attained employment would the application for disability benefits be suspended. If the employment effort fails, the application process would be begin again using the original application date as the basis for determining eligibility. The work effort would not be considered evidence of ability to engage in SGA.

#### How the Process Would Work

Upon filing an application for disability benefits, the claims representative will present the applicant with the option of participating in the Employment First program. A referral will be made to the SSVRC, who will contact the applicant to discuss the benefits of participation. The SSVRC would meet with the individual to determine if the person was eligible for Employment First (i.e. they had a disability that would qualify them for disability benefits or would meet listings level for eligibility\*). Two critical factors to be considered in this informed choice process would be:

- The individual's interest in investigating employment options
- The likelihood of allowance for disability benefits

#### The following example illustrates how Employment First would work

Up until one year ago, Jeffrey was working as a heavy equipment operator for a construction company. He was involved in a car accident, and sustained a spinal cord injury, which has left him with quadriplegia. He is 35 years old.

When Jeffrey comes into the office, he is introduced to the SSVRC in the Social Security field office. The SSVRC does some initial screening, and talks with Jeffrey about his vocational options. The SSVRC outlines a number of potential new career options that Jeffrey had not considered. Jeffrey had reservations about going on benefits for the rest of his life but was not aware of any alternative. The possibility of returning to work is very attractive to him.

Jeffrey has an immediate need for income and the time limited cash assistance offered under Employment First is attractive. He is concerned that his application for SSDI will be suspended.

However, when the SSVRC explains that he can always reactivate his application at a later date and that given his disability he would almost certainly be found eligible, this appears less of a risk. So he agrees to participate.

The SSVRC authorizes short-term cash assistance for Jeffrey and begins to develop a vocational plan with him. She also works with a local benefits counselor to help Jeffrey apply for a State low-income health coverage program and Food Stamps. This support assures that Jeffrey can maintain himself until he starts working.

The SSVRC helps Jeffrey enroll in a six-month computer training program at a local college. She links him up with the local Assistive Technology program to ensure he has the necessary equipment to compete. Four months into the program Jeffrey is offered part time work processing customer orders at a local mail order company. Because of this additional income, Jeffrey loses his eligibility for the State low income healthcare program and his Food Stamps. However, his benefits counselor helps him apply for the local Medicaid Buy In program, for which he is now eligible because he is working.

After completing the computer training program at the college, Jeffrey applies for a full time data management position at the mail order company for whom he is already working. He gets the job, which comes with health insurance after six months. He retains his eligibility of the Medicaid Buy-In and Medicaid pays his premiums for the employer-based insurance. The SSVRC ends Jeffrey's cash stipend.

The Employment First program could have a significant positive individual and system level impact.

#### Individual Level Impact

The design of the Employment First Program would allow individuals applying for disability benefits a choice of the long-term disability program or a short-term concept which would include access to cash and medical benefits as well as employment supports while the individual pursued returning to work, without compromising the individual's application for long-term benefits should employment not prove successful.

#### System Level Impact

Employment First would provide SSA with a vehicle for testing the concept of Early Intervention using a program with a strong national presence, a proven track record of success and a solid local

infrastructure for service delivery. By providing employment services and supports choice at the point of application for SSA benefits, Employment First would also serve the purpose of developing more solid relationships between the SSA field offices, the VR program and the Benefits Counseling program.

Finally, as the VR agencies test out this model of Employment First, the programs can work together to generate recommendations on restructuring the vocational criteria within the Disability Determination process. Given the limitations of using medical criteria as the most widely-used means of determining work-related disabilities, this project could inform the national debate by giving empirical data on work potential across disability in the working-age population.

#### Conclusion

The Public VR program has a long history of providing employment supports to individuals with disabilities, including those individuals on the Social Security disability programs. A partnership between the largest insurer of beneficiaries and the largest provider of employment services and supports is the most logical next step for demonstrating models of early intervention.

Further, waiting until applicants with disabilities for SSDI and SSI are determined eligible before engaging them in a conversation about work incentives and employment potential misses opportunities to help these individuals recover and move into the productive world of work. This is a conversation that must begin as early as possible, occur without risk, and offer a clear alternative to the applicant. Employment First proposes this alternative.

Chairman JOHNSON. Ms. Bates-Harris, welcome. Please proceed.

**STATEMENT OF CHERYL BATES-HARRIS, SENIOR DISABILITY ADVOCACY SPECIALIST, NATIONAL DISABILITY RIGHTS NETWORK, ON BEHALF OF THE CONSORTIUM FOR CITIZENS WITH DISABILITIES EMPLOYMENT AND TRAINING TASK FORCE**

Ms. BATES-HARRIS. Good morning. Thank you, Chairman Johnson, Chairman Davis, and other distinguished Members of the Committee for this opportunity to testify today regarding work incentives in the Social Security disability programs. As indicated, I am representing the CCD, Consortium for Citizens with Disabilities Employment and Training Task Force. The CCD Employment and Training Task Force believes that meaningful employment represents one of the best opportunities for people with disabilities as they work toward becoming a productive and fully included member of society.

Social Security work programs are among the many critical avenues for Social Security beneficiaries to gain access to employment. We support improvements to Social Security to make it more effective in serving those that rely on it; however, we stand firm in our belief that changes to the Social Security system should not be made in the hothouse environment of deficit reduction.

Considerable attention is being given to the plight of long-term unemployed, and it is important that policymakers understand that millions of people with disabilities are disconnected from the workplace and do not fall within the traditional definitions of long-term unemployment. Therefore, these critical services are essential to ensure their participation and return to employment.

Employment of individuals with disabilities requires a comprehensive approach that addresses all aspects of the service system to ensure that the vision of integrated competitive employment is fostered and promoted. Ongoing staff development, among systems staff and service providers, is vital so that they not only embrace the vision, but have the technical knowledge to implement it. A holistic approach requires addressing a wide range of other issues: outreach to and engagement with employers, service monitoring and quality assurance, engagement of individuals and families, and the availability of benefits counseling and protection and advocacy support which will allow community employment, transportation, interagency collaboration, just to name a few.

Over the past decade, Congress has focused most of its attention only on the Ticket to Work program. Revised regulations and things have drastically changed the program, so I am not going to talk so much about the Ticket as much as the supports of the two critical programs that are soon to expire.

The first is, of course, the Protection and Advocacy for Beneficiaries of Social Security. It is the responsibility of these programs to provide information and advice about obtaining vocational rehabilitation and employment services, information and referral services to beneficiaries on work incentives, advocacy, and, most importantly, legal services that a beneficiary needs to secure, maintain, or regain employment, including the investigation and remedy of

complaints of employment discrimination and other civil and legal rights violations. Despite the extensive set of duties and growing demand for services, the PABSS program has been funded at the same level, and its authorization expires at the end of the fiscal year.

The WIPA programs inform beneficiaries on the impact that employment will have on disability income and medical coverage, and addresses many of the fears that individuals have about going to work at the risk of losing health coverage. Authority, again, for these grants will expire.

More needs to be done to ensure that individuals and families are aware of the availability of these critical services, and that consistently provides the message that encourages employment in the community rather than simply the preservation of benefits. So we believe that it is really important to address those.

Some of the other issues that we also think are critically important to continue are the expanded use of the employment networks; the Medicaid Infrastructure grants, the Partnership Plus model. The Social Security Administration's revised Ticket regulations improved the overall effectiveness of the program, and it is important that these things continue.

The Ticket program is poised to benefit from data-matching advances.

And one area that has slipped due to staffing shortages is the process of earnings reported by beneficiaries. When beneficiaries get overpayment notices, it is shocking to beneficiaries when they receive these notices and assume that the information has been processed properly.

The rest of my testimony is written and can be submitted for the record, and I am happy to answer any questions that you have.

Chairman JOHNSON. Thank you, ma'am. It will be entered into the record.

[The prepared statement of Ms. Bates-Harris follows:]



Friday, September 23, 2011

Chairman Sam Johnson and Chairman Davis and other distinguished members of the committee, thank you for the opportunity to testify today regarding work incentives in Social Security disability programs.

I am Cheryl Bates-Harris, Senior Disability Advocacy Specialist, National Disability Rights Network (NDRN). Today, I am here in my capacity as a Co-Chair of the Consortium for Citizens with Disabilities (CCD) Employment and Training Task Force.

CCD is a coalition of over 100 national consumer, service provider, and professional organizations which advocates on behalf of people with disabilities and chronic conditions and their families. Employment and Training Task Force is a smaller group within the coalition that addresses Federal disability employment issues, working to secure national public policy that advances self-determination, independence, empowerment, integration and inclusion in employment for individuals with disabilities.

The CCD Employment and Training Task Force believes that meaningful employment represents one of the best opportunities for people with disabilities as they work toward becoming a productive and independent member in their community. Unfortunately, employment opportunities continue to be very scarce especially with today's economy. Social Security Disability work programs are among the many critical avenues for social security beneficiaries to gain access to employment. We support improvements to Social Security to make it more effective in serving those who rely on it. However, we stand firm in our belief that changes to the Social Security system should not be made in the hot house environment of deficit reduction.

Bureau of Labor Statistics data paint an ongoing grim portrait of workforce participation by people with disabilities. Statistics just released in August indicate that the workforce participation rate for people with disabilities remained virtually unchanged from 2010 to 2011 at roughly 21 percent. For those with no disability, the rate was almost 70 percent. During that same period, the unemployment rate for persons with a disability rose from 16.4 percent to 16.8 percent while that for people without disabilities showed a slight decline – from 9.5 to 9.0 percent. At every level of education, persons with a disability were much less likely to be employed than were their counterparts with no disability.

Considerable attention is being given to the plight of the long term unemployed. Numerous proposals have been introduced in recent months offering enhanced tax



advantages to businesses hiring people unemployed for six months or longer or special programs targeting this population. It is essential for policymakers to understand that millions of people with disabilities are disconnected from the workforce and do not fall within the traditional definitions of "long term unemployed." People with disabilities will once again be sidelined in efforts to boost the economy if this basic fact is ignored.

Employment of individuals with disabilities requires a comprehensive approach that addresses all aspects of the service system to ensure that the vision of integrated, competitive employment is fostered and promoted. Ongoing staff development, among systems staff and service providers, is vital so that they not only embrace this vision, but also have the technical knowledge to implement it. A holistic approach also requires addressing a wide range of other issues: outreach to and engagement with employers, service monitoring and quality assurance, engagement of individuals and families, the availability of benefits counseling that supports community employment, transportation, inter-agency collaboration with public vocational rehabilitation, to name just a few. Strong transition services from school-to-work, with a clear focus on community employment are also critical.

On behalf of the Employment and Training Task Force, I appreciate the opportunity to discuss the following issues this morning as a part of my testimony:

- Urgent Need for Renewal of Important Work Incentives Programs
- Employment Network (ENs) – New Ticket Regulations
- Improvements to Ticket to Work and Work Incentives Improvement Act
- Health Care Coverage: An Essential Work Incentive
- Other Social Security Work Incentive Reforms Needed
- Promoting Work and Savings
- Business Tax Incentives

#### Ticket to Work and Work Incentives Improvement Act

Almost ten years ago, the Ticket to Work and Work Incentives Improvement Act (TWWIIA) was signed into law as P. L. 106-170. Its intent was to reduce barriers to work for Social Security Title II and Title XVI disability beneficiaries by offering greater choice in vocational rehabilitation and employment services providers and to assure ongoing access to affordable health care coverage and benefits planning services.

Over the past decade, Congress has focused most of its attention only on the Ticket to Work Program and its implementation. As you know, the original regulations issued for Ticket to Work were inadequate to create the multiplicity of vocational options envisioned by proponents of the law. Corrective regulations were not issued until 2005 and were not finalized until 2007. Consequently, though these new rules are vast improvements over the old ones and the Social Security Administration (SSA) has taken steps since 2008 to publicize them and implement them, it is useful to examine the impact of the changes to Ticket in the context of the other continuing workforce barriers to people with disabilities.

At the outset, we urge your immediate attention to several provisions contained within TTWWIIA that are critical to facilitating the participation of those on Title II and/or Title XVI in the workforce and that are scheduled to expire soon. The failure to extend these programs could undermine the long-term impact of the law in improving employment opportunities for this population of people with disabilities.

The specific provisions in question are:

**Protection and Advocacy for Beneficiaries of Social Security (PABSS)** -- The PABSS program was created in TTWWIIA to protect the rights of beneficiaries as they attempt to go to work. It is the responsibility of these programs to provide information and advice about obtaining vocational rehabilitation and employment services; information and referral services to beneficiaries on work incentives; advocacy or other legal services that a beneficiary needs to secure, maintain, or regain gainful employment including investigation and remedy of complaints of employment discrimination and other civil and legal rights violations ; and identify deficiencies in entities providing employment supports and services to beneficiaries. Despite this extensive set of duties and growing demand for services, the PABSS program has been funded at the same level since 1999 and its authorization expires at the end of this fiscal year.

**Work Incentives Planning Assistance (WIPA)** -- WIPA grants to local non-profits and other agencies fund outreach, education and benefits planning services to Social Security disability beneficiaries about work incentives and services for finding, maintaining and advancing in employment. WIPA grantees inform beneficiaries on the impact that employment will have on their disability income and medical coverage, and address many of the real fears that individuals have about going to work at the risk of losing health coverage. The authority for these grants, flat funded since their inception, will terminate September 30, 2011 unless renewed by Congress.

More needs to be done in ensuring that individuals and families are aware of the availability of WIPA services, that WIPA services consistently provide a message that encourages employment in the community rather than simply preservation of benefits, and that WIPA services are provided in a way that is fully accessible to individuals with intellectual and developmental disabilities. Consideration also should be given to encouraging use of Medicaid Waiver funds for supporting benefits counseling services that supplement and expand those available via the WIPA programs.

**Title II Demonstration Authority** -- SSA's Title II demonstration authority expired in 2005. The agency's disability demonstration projects can provide important information about assisting beneficiaries to attempt or to return to work and current demonstrations have been allowed to continue. While we recognize that improvements need to be made in the way SSA uses the results of its demonstrations, without this authority, the agency is unable to pilot test other promising approaches for work incentives and related provisions.

Demonstration to Maintain Independence (DMIE) -- Section 204 of TTWWIIA authorized demonstration projects to give private insurance coverage to working individuals whose health conditions or disabilities are not yet severe enough to qualify them for the program. The intent of DMIE was to test the efficacy of health insurance coverage in keeping individuals with disabilities in the workforce and off of the benefit rolls. Regrettably, these programs got a very late start in applications and funding. Furthermore, only a few states took advantage of the DMIE, largely because of the matching fund requirements of the program and their own precarious financial position. Still, preliminary findings from the DMIE indicate that this program has potential to reduce public expenditures for disability benefits and reduce employer costs related to worker health problems.<sup>1</sup> Unfortunately, the authority for this program ended in FY 2006 and Congress rescinded the funds remaining in the program in the 2009 omnibus budget bill.

Medicaid Infrastructure Grants (MIG) -- State Medicaid Agencies and their designees have built new state infrastructures and service support networks for workers and job seekers with a significant disability (namely, Social Security disability beneficiaries) in scores of states as can only happen at the state and local levels. Ongoing MIG grant funds targeted to these ends have made this possible. A 2010 GPRA report on the Medicaid Infrastructure Grants (MIG) and Medicaid Buy-In reported that 42 states were using MIG funds to promote employment of people with disabilities and 37 states had established a Buy-In program for working people with disabilities. States with a MIG program had a higher employment rate for people with disabilities than non-MIG states and all states receiving MIG funding must make personal attendant services [PAS] available at a level that would support competitive employment. Across Buy-In states, over 153,000 participants were enrolled in the program in 2009, a 25 percent increase from 2008. Over 309,000 Medicaid participants have benefited from the Buy-In since the first program was established in 1997. Buy-In participants' earnings totaled nearly \$896 million in 2009 across all 37 MIG/Buy-In states, a 17% increase over 2008. According to an analysis by Mathematica Policy Research, "Buy-in participants in 2005 incurred lower annual Medicaid expenditures per enrollee than other adult disabled Medicaid enrollees. This difference was observed nationwide and in most states with a Buy-In program, and suggests that Buy-In participants who are working may require fewer services or a less expensive mix of services than other disabled Medicaid enrollees."<sup>2</sup> Unfortunately, the MIG grants terminate at the end of 2011.

Employment Network (ENs) -- The Social Security Administration's Ticket to Work and Self-Sufficiency Program (Ticket to Work Program) was authorized by Public Law 160-170. The general goal of the Ticket to Work (TTW) Program is to expand the universe of service providers that are available to those individuals between ages 18-64 who are entitled to Social Security benefits based on disability (SSDI) and for those who are eligible for Supplemental Security Income (SSI) based on disability or blindness.

<sup>1</sup> 2008 Congressional briefing by American Public Human Services Association and National Association of State Medicaid Directors, [http://cwr.aphsa.org/Home/home\\_news.asp](http://cwr.aphsa.org/Home/home_news.asp)

<sup>2</sup> Analysis of Medical Expenditures and Service Use of Medicaid Buy-In Participants 2002-2005, October 2009, Mathematica Policy research

However, after the first regulations were published in 2001 and the first Tickets went out to beneficiaries, the program created very little change. More than 90 percent of the Tickets went to VR agencies rather than to employment networks, or ENs. Worse, the regulations and the accompanying Transmittal 17 put VR agencies and ENs at odds by automatically assigning a beneficiary's Ticket to VR once a vocational plan, known as an Individualized Plan for Employment or IPE, was signed. In hearings before this Committee, testimony from advocacy groups told of how the regulations were unworkable. Further, the TTWWIA Advisory Panel in 2003 wrote to Martin Gerry, then the Deputy Commissioner for the Office of Disability and Income Security Programs and Robert Pasternack, then the Assistant Secretary for the Office of Special Education and Rehabilitative Services, about the problems created by the Ticket regulations and Transmittal 17.

The Social Security Administration (SSA) revised the TTW regulations in 2008 to improve the overall effectiveness of the program to maximize the economic self-sufficiency of beneficiaries through work opportunities. The TTW regulations:

- Encourage more organizations to become ENs and increase the range and number of service providers available to serve beneficiaries.
- Promote more partnering between organizations and expand the range of services offered to beneficiaries.
- Promote better coordination of a variety of services to beneficiaries at the federal, State and local levels, including coordination of VR and EN services and better coordination of SSA Work Incentives.

#### Partnership Plus

As a result of these changes in the 2008 regulations, Partnership Plus was established. Partnership Plus more closely equalized payments for serving SSDI and SSI beneficiaries and increased the amount that Employment Networks would be paid under the Ticket program. In addition, the new regulations redefined the relationship between SSA beneficiaries who want to work, VR agencies, and ENs. They allow VR agencies and employment networks to work together to provide a more seamless array of services to beneficiaries and help them attain and retain employment. These regulations permit SSA to pay a VR agency for serving a beneficiary under the cost reimbursement program. When the VR case is closed, the beneficiary can assign his/her Ticket to an EN that can subsequently receive Milestone and Outcome payments. If the VR agency closed the case with the beneficiary in employment, the Phase 1 Milestones are not available to the EN since VR provided the services that led to job placement. The Phase 2 Milestone and Outcome payments would be available to the EN when the beneficiary attained work and earnings adequate to trigger those payments. Partnership Plus has created opportunities for VR agencies and ENs to partner together in providing ongoing support and job retention services to assist beneficiaries as they move towards self-supporting employment.

We applaud then Associate Commissioner for Employment Support Programs Sue Suter, Dan O'Brien who succeeded Ms. Suter as Acting Associate Commissioner, and the new Associate Commissioner Bob Williams for initiating these changes and continuing to work with VR agencies and ENs to make the Ticket a program that works.

Ticket program poised to benefit from data matching advances -- Multiple government entities are involved in efforts to determine when recipients of government benefits have begun work. The government's primary goal in data matching with commercial and governmental databases is to minimize improper payments. But as this data matching improves, it will also enable the Ticket program to be more effective. While only 1/2 of 1% of beneficiaries go off the rolls each year due to work, 16% actually perform some work according to a 2010 study by Liu and Stapleton. About a quarter of those who attempt work earn above SGA. They would appear to be likely candidates for leaving the benefit rolls if they were provided critical supports at the time it is needed. Unfortunately SSA doesn't know who these individuals are. As better employment data matching becomes available the Ticket program could identify those who are attempting to leave the benefit rolls, and offer them supports that will increase the probability that they will be able to achieve economic self-sufficiency.

One area that has slipped due to staffing shortages, often with a very detrimental impact on people with disabilities, is the processing of earnings reports by beneficiaries. When beneficiaries faithfully notify SSA of earnings or other changes that may reduce their benefit payment amounts, it may be months or years before SSA sends an overpayment notice to the beneficiary, demanding repayment of sometimes tens of thousands of dollars of accrued overpayments. It is shocking to beneficiaries to receive these notices, when they reasonably assumed that SSA had processed the information they submitted, and it is challenging, if not impossible, for someone subsisting on benefits alone to repay the overpayments. Many individuals with disabilities are wary of attempting a return to work out of fear that this may give rise to an overpayment, resulting in a loss of economic stability and health care coverage upon which they rely.

SSA needs to develop a better reporting and recording system and promptly adjust benefit payments --thus preventing these overpayments. It is important to note that, in and of themselves, overpayments do not indicate fraud or abuse as beneficiaries are encouraged to work if they are able. The problems arise when reported earnings are not properly recorded and monthly overpayments are not properly adjusted.

The Governmental Accountability Office recently stated, "SSA has achieved modest improvements in Ticket program participation for ticket holders and ENs under the revised regulations finalized in 2008, and we are encouraged that in recognition of program weaknesses, the agency is considering various improvements. ..."<sup>3</sup> There are signs that the regulatory improvements are having some positive impact. Ticket holders assigning their tickets to EN's increased from about 22,000 in fiscal year 2007 to over

<sup>3</sup> Social Security Disability: Ticket to Work Participation Has Increased, but Additional Oversight Needed, May 2011, GAO-11-324

49,000 in 2010. The number of ENs increased from 1514 to 1603 and SSA's ticket payments increased from \$3.8 million to \$13 million.

#### AAATakeCharge Shared Payment Model

One interesting approach is that offered by AAATakeCharge. Over 25% of beneficiaries assigning their Tickets have selected the AAATakeCharge Employment Network (EN) model. AAATakeCharge gives the beneficiary 75% of the Ticket payments with the requirement that the funds must be spent on goods and services that will help them remain in the workforce or advance in their career. Many people attempting work after years of unemployment have very limited resources. If their car breaks down, if their mother becomes sick and can't take care of their kids, if they can't pay their cell phone bill and their employer can't reach them, they lose their job. AAATakeCharge provides work support payments only if clients reach certain earning milestones or go off benefits all together. Clients use the money for transportation, business clothing, technology, education/training, health costs, disability related expenses or any unexpected emergency that would interfere with their being able to work. The appeal of this cash and counseling model is that the support is very flexible. And the client makes the decisions as to how the funds should be spent. According to MJ Willard, AAATakeCharge Director, AAATakeCharge client's go off benefits at more than twice the rate of any other EN in the country.

TTWWIIA Improvements -- Additional statutory problems with TTWWIIA have yet to be addressed by Congress. Among these are the law's disconnect between its eligibility standard and Social Security's normal retirement age; the inability of those working past age 65 to participate in a Medicaid buy-in; prohibitions against Ticket holders receiving more than one ticket; and the requirement that a beneficiary wait 24 months after reinstatement to the benefit rolls before he or she can use the work incentives again.

As you know, many beneficiaries fear working to their full potential because it might cause a permanent loss of cash and/or medical benefits. This is a particular concern for beneficiaries who (a) have relapsing/remitting conditions such as mental illness or many chronic illnesses or (b) need accommodations that may be available in one employment setting, but difficult to obtain in the future. The Ticket to Work and Work Incentives Improvement Act partially addressed this problem by allowing a limited "expedited reinstatement" to benefits, but this is not a complete solution since it is available for only 60 months from termination of cash benefits.

The existing expedited reinstatement program could be improved by making the following changes:

- (1) Eliminate the 60-month time limit;
- (2) Provide provisional cash and medical benefits until SSA processes the request for reinstatement (current rules limit provisional benefits to six months);
- (3) Ensure that both cash and medical benefits are promptly reinstated once SSA has approved the reinstatement;



- (4) Explicitly recognize that people may use expedited reinstatement repeatedly;  
and
- (5) Provide that beneficiaries are eligible for expedited reinstatement if they are unable to engage in SGA when they are no longer working.

We feel that given adequate attention and support that the Ticket program can play an important role in increasing self-sufficiency of persons who had been dependent on SSA for cash benefits. Everyone agrees that the Ticket program had serious flaws in its original form but the reform of the program in 2008 has shown that it can be a viable part of the array of services that are needed to help people with disabilities become more independent and self reliant.

#### Health Care

The Affordable Care Act (ACA) included many provisions that are vital for people with disabilities to enter the workforce and attain economic self-sufficiency. Prohibitions against discriminatory insurance practices, health exchanges in which to purchase affordable coverage and an employer-based long term care insurance program offer the prospect that people with disabilities will not always have to rely on public benefits programs to obtain necessary health care coverage.

Yet the legislative and regulatory environments remain a challenge to true health system reform that will benefit people with disabilities. Should statutory changes fail or be undone through the regulatory process, there are numerous improvements that should be made to federal health programs to reduce the barriers they pose to employment for people with disabilities.

Enhance the use of the Medicaid buy-ins for working people with disabilities – The Medicaid buy-in programs created under the 1997 Balanced Budget Act and TWWIIA need to become available to all working people with disabilities to alleviate the patchwork of access across the country. A 2006 study by Mathematica Policy Research recommended that greater outreach by states with existing Medicaid buy-ins could improve the number of participants.<sup>4</sup> Another evaluation by Mathematica suggested that those states with higher income and asset criteria have higher numbers of working people with disabilities participating in the buy-in program.<sup>5</sup>

The availability of Medicaid coverage on a sliding scale through the Medicaid buy-in program that is now available in 42 states, allows individuals to maintain this necessary medical coverage at levels beyond the SGA threshold level. According to DRRK Disability Research, Medicaid buy-in enrollees earn more money, work more hours, contribute more in taxes, and rely less on food stamps than people with disabilities who are not enrolled. Individuals with intellectual and developmental disabilities must be

<sup>4</sup> The Three Es: Enrollment, Employment and Earnings in the Medicaid Buy-In Program, Mathematica Policy Research, Contract No. 500-00-047, Ref. No. 6170-330, April 11, 2008

<sup>5</sup> Interaction of Policy and Enrollment in the Medicaid Buy-In Program, Final Report, Mathematica Policy Research, Contract No. 500-00-047, Ref. No. 6170-330, May 2007

made much more clearly aware of these and other work incentives, that will allow them to succeed in jobs and careers in the community. Studies have shown that the availability of comprehensive benefits counseling positively impacts the ability and willingness of individuals to go to work.

Access to the Medicaid buy-in programs could be achieved either by requiring all states to establish Medicaid buy-in programs or by establishing deemed Medicaid eligibility for Title II beneficiaries up to the current buy-in earnings levels. Medicaid buy-ins are a vital tool for people with significant disabilities to receive the services they may need in order to go to work or maintain employment.

One of several barriers and challenges for beneficiaries with disabilities to participate in the labor force despite the availability of the Social Security Disability Programs is concern over loss of their public benefits if they go to work. The myths and misunderstanding regarding benefits among individuals, families, and service system staff are widespread. For example, many individuals say they cannot go to work because of loss of concerns over Medicaid. Yet under the Social Security Work Incentive 1619(b), individuals can earn up to a threshold amount without impacting their Medicaid coverage. This threshold level ranges from \$26,000 in Mississippi to over \$50,000 in Alaska.

Eliminate the Medicare "homebound" rule -- Current Medicare policy for durable medical equipment (DME) restricts its use to "in the home", meaning that people on SSDI who use devices and technology they need for independent living risk violating the law if they use their DME to go to work. Congress should repeal Medicare's restrictive coverage of mobility devices so that people with disabilities can work and live independently.

Allow permanent premium-free access to Medicare for beneficiaries who work -- Under TTTWWIIA, working beneficiaries are able to have premium free Part A Medicare coverage for up to 90 months, after which they can buy in to the program for continued coverage. However, the costs of the premiums can be prohibitive for many working individuals with disabilities. We recommend providing lifetime Medicare coverage for beneficiaries who have lifelong conditions. Providing continued attachment to Medicare for working beneficiaries would ensure on-going eligibility for health care whether or not they are employed in a company that supplies coverage.

Offer tax incentives to assist people with disabilities in purchasing employer-provided health coverage -- Health insurance premiums paid by working people with disabilities should be considered an impairment related work expense and deductible on their 1040.

#### Other Work Incentives Needed In Title II and Title XVI

Over the years, CCD has offered proposals to remove a host of barriers to work in the Title II and Title XVI disability programs.



Establish an earnings offset in Title II. One of the most difficult and enduring barriers to work for Title II beneficiaries is the sudden termination of cash benefits when someone crosses the substantial gainful activity (SGA) threshold. Not only does this affect the individual's benefits but his or her dependents' benefits as well. We recommend establishing a \$1 for \$2 earnings offset in Title II to parallel the provision in the SSI program. It would eliminate the "cash cliff" for beneficiaries who are able to work and help ensure that individuals are financially better off by earning than by not earning.

Allow ongoing presumptive re-entitlement for those able to work, but who have continuing disabilities – Continued Attachment. We recommend that Title II and SSI disability beneficiaries have a "continued attachment" to the programs as long as their impairments last, even if they do not receive cash benefits because of their work earnings. Beneficiaries of the programs who are sometimes able and other times unable to be employed should have continued attachment to the cash and medical benefits that can be activated with a simple and expedited procedure that is as "seamless" as possible.

Revise rules for impairment related work expenses (IRWE). We recommend revising the impairment-related work expenses provisions. Under current rules, SSI and Title II disability applicants and beneficiaries can deduct from earned income the costs of impairment-related work expenses (IRWEs). The IRWE deduction can be a significant work incentive by allowing individuals with disabilities to obtain services, medical items, and other assistance that allow them to engage in work activity. IRWE deductions are made for SGA determinations in SSI and Title II disability claims and for SSI income determinations.

Moreover, the current SSI blindness rule should be applied to both Title II and SSI disability claimants and beneficiaries to allow the consideration of all work expenses, not only those that are "impairment-related." For Title II and SSI disability claimants and beneficiaries, only those work expenses that are "impairment-related" will be considered. However, the SSI income counting rules for individuals who qualify based on statutory blindness are more liberal because all work expenses can be deducted, not only those that are "impairment-related." There is no policy basis for this continued disparate treatment of people with different disabilities.

We also recommend allowing individuals to include their health insurance premiums as IRWEs. This would recognize the higher costs incurred by workers with disabilities who must pay premiums for the Medicaid Buy-In or for continued Medicare after the termination of free Part A benefits.

Expand work incentives for youth under Title II and Title XVI -- Legislative changes must be made to Social Security rules to help encourage young people with disabilities to enter the adult workforce, to the best of their ability. We propose a series of recommendations to help youth with disabilities maximize their potential while ensuring that they have the income and health care supports needed to succeed. We believe that these proposals can help existing public systems better coordinate services and provide

stronger support for young people who are able to work as adults. Over time, there should be savings for SSA as more young people with disabilities work and receive reduced or no cash assistance.

(a) Protect eligibility for Medicaid

We recommend that young adults with disabilities remain eligible for Medicaid, regardless of whether they are working or ever received SSI. This means that individuals who received SSI as a child or young adult would retain Medicaid eligibility even if they lose SSI due to medical improvement or if their earnings rise above SGA. The provision would require Medicaid to serve as the last payer after individuals exhaust their worker-based or other available health insurance.

(b) Ensure that past work above SGA level does not create work disincentives for people who would otherwise qualify as DAC beneficiaries.

We recommend amending the statute to protect young people with severe disabilities, whose conditions began prior to age 22, who might attempt SGA but fear losing future eligibility to receive disabled adult child (DAC) benefits when their parents retire, die or become disabled. Individuals who earn above the SGA level at any time before applying for DAC benefits, will not be eligible for them. This is a significant work disincentive for people who are severely disabled during childhood and who may need the benefits earned for them by their parents.

Existing law allows re-entitlement to DAC benefits after a 7-year re-entitlement period if the beneficiary's previous entitlement had terminated because of earnings above the SGA level. This same principle could apply to individuals whose parents have not yet retired, died or become disabled. If an individual would receive a DAC benefit, except that his/her parents have not yet retired, died or become disabled, then the individual should not lose DAC eligibility due to earnings above SGA.

A clear statement in the statute could establish that individuals otherwise eligible for DAC benefits (i.e. when their parent dies, retires or becomes disabled) will qualify for those benefits even if they performed work at SGA level at any time during their life. To implement this recommendation, SSA could allow families to secure "protective filing status" for their eligible children. Families would provide SSA with evidence that their children have disabling conditions prior to age 22 and receive a statement from SSA that, should the person ever need the DAC/CDB benefits because of their inability to work, they will qualify. The use of electronic files now facilitates this process and can ensure the availability of records in future years when needed.

(c) Exempt DAC beneficiaries from the family maximum if they live outside the family home.

We recommend exempting the disabled adult child's benefit payment from the family maximum calculation when that individual does not live in the family home. When a disabled adult child draws benefits, the retired worker's spouse's

benefits are adjusted for the family maximum. If three or more beneficiaries live in the same household, expenses and income can be shared as a family. However, people with disabilities are increasingly receiving support to live more independently and often individuals who qualify for DAC benefits do not live with their parents. Even though they do not share expenses with their adult child, the retiree and spouse receive a reduced monthly income. It is possible to resolve the situation by following the precedent established by treatment of a divorced spouse: even though the divorced spouse draws from the retiree's record, the divorced spouse's benefit does not affect the family maximum or the benefits of other family members.

(d) Codify current rules regarding continuing disability reviews (CDRs) for children and young adults.

We recommend that SSA not conduct CDRs or redeterminations for children engaged in transition-to-work activities and that the current mandatory SSI redetermination at age 18 be moved to age 22 to parallel the time frames in IDEA and Social Security/DAC programs. Current regulations provide that benefits will continue for students age 18 through 21 if they receive services under an individualized education plan, even if they recover medically or their disability has been determined to have ended. This is consistent with the statutory provision that provides continuation of SSI and Title II disability benefits where disability has ceased if (1) the individual is participating in vocational rehabilitation, employment, or other support services; and (2) completion or continuation in the program will increase the likelihood of permanent removal from the disability rolls. We recommend that this provision be codified since it encourages young people with disabilities to remain in school and complete their educational and vocational training. Evidence shows that there is a positive relationship between staying in school and employment success for students with disabilities.

(e) Disregard all earnings from income and resource calculations for children and young adults who have a transition plan under special education or vocational rehabilitation.

In order to promote work effort for young people who are transitioning, we recommend that SSA disregard any income that children and young adults may earn when calculating either eligibility or the benefit payment for SSI. Under current rules, a blind or disabled child who is a student regularly attending school can only earn up to \$6,240 of earned income per year. We believe that these young people with transition plans should be allowed to save all of their earnings and that SSA should not depress work effort by counting earnings against the SSI income and resource limits.

(f) Use SSA funds for staff to work directly with students, their families and school systems.

Beginning at age 12, children should have access to staff that can help them and their families with transition plans. Schools are required to assist with transition planning for children eligible for IDEA. However, using SSA funds to support and

train transition coordinators could expand available assistance for children and their families to design and implement an individualized plan. The plans will vary, but may include: secondary and post-secondary education, vocational rehabilitation, on the job training and additional medical care. Staff hired to assist families should help parents understand all available opportunities and the various program rules and eligibility criteria.

**(g) Modify "deemed" SSI eligibility to protect Medicaid for certain working people who transition to Title II.**

The deeming of SSI eligibility is important to avoid creating an unintended disincentive to work, especially for younger individuals who receive DAC benefits. There is existing precedent for deeming SSI eligibility and four groups can continue to receive Medicaid after becoming eligible for either a new Title II benefit or for an increased amount: "Pickle People" (for concurrent beneficiaries whose SSI is lost due to Title II COLAs); "Kennelly widows" (SSI lost due to improved formula for disabled surviving spouses); "COBRA widows" (SSI lost due to eligibility for early Title II surviving spouse benefits); and DACs (SSI lost due to new eligibility for, or increase in, DAC benefits).

Currently, the statute creates a constraint against attempting to work because it only provides protection when the sole reason the person's income exceeds the SSI level is the Title II benefit increase (i.e., "Pickle People"). Thus, working and having any earnings will automatically make the person ineligible for the deemed SSI status that protects his or her Medicaid. This is especially ironic, because if s/he had been solely an SSI recipient, the person would be able to benefit from the 1619(a) and (b) work incentives. This can be fixed by providing that SSI deemed status will continue so long as the person's only other reason for ineligibility is earnings from work.

**(h) Clarify work subsidy issues as they impact determinations of SGA.**

Another work disincentive for disabled beneficiaries arises because of the current interpretation of how to value a worker's work effort, i.e. does it exceed SGA. The approach is different for people in supported employment depending upon whether they are supported directly by an employer or by services from an outside source (e.g., a state-funded supported employment agency). As a result, an individual's work effort may exceed SGA when there is third party support while that same work effort may be found not to exceed SGA when there is employer support. This is an arbitrary distinction for the individual, but the result could be critical if, for instance, the individual is found not to qualify for DAC benefits because s/he exceeded SGA level in the past.

There may also be additional complications regarding the nature and scope of support provided when determining SGA. For instance, the individual may perform the actual task (bagging groceries, assembling a package, etc.), but may be unable to do so without a job coach who ensures that the individual arrives at work on time properly attired, that he/she interacts appropriately with customers

and co-workers, and that he/she remains focused on the assigned job tasks, among other things. SSA appears to distinguish subsidies/non-subsidies depending on whether the job coach does actual "hands-on" work or coaches from the side. We recommend clarifying this issue to help beneficiaries fully utilize Title II work incentives.

#### Promoting Work and Savings

Raise the SSI asset limit and income disregards and index annually for inflation. The unearned income disregard has remained at \$20 since the inception of the SSI program in 1974 and is now worth about \$5. Raising the asset limit and income disregards will provide working beneficiaries the opportunity to save for home ownership, education or retirement and will protect Medicaid. We recommend raising both the asset limit and income disregards to the amounts that they would have been if indexed since their inception.

Legislation has already been introduced in Congress to alleviate the limitations of the SSI asset tests. Called the Achieving a Better Life Experience [ABLE] Act this measure will create a valuable savings mechanism that will enable individuals with significant disabilities to develop assets and private resources without restriction or penalty. The need for savings is often greater for a child with a disability, particularly a significant disability, than other children in order to offset additional spending on medical treatment, adaptive equipment or personal supports over the course of the individual's life. The savings accounts created by the ABLE Act would provide the option to invest private funds for the long-term well-being of individuals with disabilities through tax-advantaged savings tools. This bill will enable individuals with disabilities to live a meaningful and productive life without having to impoverish themselves, as is currently the case, and will ultimately help individuals become less dependent on public benefits.

One issue we would encourage you to consider as the bill moves through the legislative process would be the inclusion of a tax credit for account contributions in favor of or in combination with the proposed deduction allowance. Our concern stems from our belief that the ABLE Act intends to provide savings incentives for many families with low or moderate annual incomes. The majority of these families opt for the standard deduction on their tax returns in favor of itemization, compromising the value of the bill's proposed deduction for those families who will benefit the most from having an ABLE account. A tax credit approach would more effectively incentivize savings for these families.

#### Helping Business Hire People with Disabilities

The tax code currently contains several incentives for employers to hire people with disabilities. As Congress explores ways to make the tax code work more efficiently for taxpayers and job creators, we urge you to include the following improvements that will foster employment of people with disabilities.

The Work Opportunity Tax Credit – WOTC provides for an annual tax credit of varying amounts to employers that hire people from certain targeted low-income groups, including: VR Agency Referrals, Individuals using a Ticket to Work assigned to an Employment Network (signed IWP), SSI, TANF, Food Stamp Recipients, Qualified ex-felons, High-risk youth, Qualified summer youth employees and veterans. However, the paperwork and documentation required to use the WOTC makes it burdensome and difficult for businesses to take advantage of it. Moreover, Congress often allows the WOTC to expire then reinstates it retroactively, making it unpredictable for many businesses. Indeed, the WOTC is set to expire at the end of this year unless it is renewed.

HR 2082 would provide a three year extension of this tax credit and make multiple improvements in its application. It broadens the application of WOTC to certain recently discharged service connected disabled veterans and provides an alternative certification process for certain targeted groups where employers can easily obtain the needed documentation.

Small Business Tax Credit and Architectural/Transportation Barrier Tax Deduction -- A Small Business Tax Credit [Sec. 44] provides a tax credit of up to \$5,000 annually for certain small businesses to be used for the cost of providing reasonable accommodations such as sign language interpreters, readers, materials in alternative format, the purchase of adaptive equipment, the modification of existing equipment, or the removal of architectural barriers. Unfortunately, the Section 44 credit covers only 50% of eligible access expenditures, posing a significant financial burden for many small companies.

The Architectural/Transportation Tax Deduction [Section 190] allows businesses of any size to deduct up to \$15,000 annually for the costs of removing barriers to accessibility. Only certain expenses are deductible and modifications must meet certain standards under the IRS Code. As a consequence, the deduction is often difficult for businesses to understand and utilize. Business representatives and experts on disability issues interviewed by the GAO agreed on the need to improve education and outreach efforts on these incentives and suggested that technical assistance be provided to small businesses in filing the paperwork necessary to claim the credits or deductions or streamlining the process for filing. Other recommendations included expanding the size of companies able to use the disabled access credit and the type of accommodations that qualify for the barrier removal deduction.<sup>6</sup>

In sum, the task force recommends the following:

- Swift reauthorization of PABSS and WIPAs
- Reinstatement of Title II Demonstration Authority and the Demonstration to Maintain Independence
- Extension of Medicaid Infrastructure Grants

<sup>6</sup> Op. cit., GAO-03-39, p. 26

- Continued improvements in the Ticket to Work program
- Enhancement of the use of the Medicaid buy-ins for working people with disabilities
- Elimination of the Medicare "homebound" rule
- Allowing permanent premium-free access to Medicare for beneficiaries who work
- Tax incentives to assist people with disabilities in purchasing employer-provided health coverage
- Establishment of an earnings offset in Title II
- Ongoing presumptive re-entitlement for those able to work, but who have continuing disabilities
- Revision of rules for impairment related work expenses (IRWE)
- Expansion of work incentives for youth under Title II and Title XVI
- Raising the SSI asset limit and income disregards and indexing them annually for inflation
- Extension and modification of the Work Opportunity Tax Credit and improvements in existing business deductions and tax credits for workplace accommodations

In closure, thank you for the opportunity to testify regarding the views of the CCD Employment and Training Task Force concerning employment opportunities for people with disabilities afforded through the Social Security Disability Work Programs. The CCD Employment and Training Task Force is ready to work in partnership to ensure that all people with disabilities are able to work in their communities and remain valued, contributing members of society.

Respectfully,  
CCD Employment and Training Co-Chairs

Cheryl Bates-Harris, National Disability Rights Network  
Charlie Harles, I-NABIR  
Susan Prokop, Paralyzed Veterans of America  
Susan Goodman, National Down Syndrome Congress  
Paul Seifert, Council of State Administrators of Vocational Rehabilitation  
Alicia Epstein, NISH



Chairman JOHNSON. Dr. Kregel, please go ahead.

**STATEMENT OF JOHN KREGEL, PROFESSOR, SPECIAL EDUCATION AND DISABILITY POLICY, VIRGINIA COMMONWEALTH UNIVERSITY, RICHMOND, VIRGINIA**

Mr. KREGEL. Thank you, Chairman Johnson, Chairman Davis. Thank you very much for this opportunity. I will focus my comments today on the Work Incentives Planning and Assistance, or WIPA, program.

Individuals with disabilities who receive SSI and SSDI are frequently viewed as unemployable when in reality millions of beneficiaries have clear goals to work and reduce their reliance on disability benefits. Of the 13 million current SSA beneficiaries, it is estimated that 2.7 million see themselves working in the near future, and an additional 2.6 million have also been employed or looked for work in the past 12 months. These 5.3 million individuals should be the primary focus of SSA's employment and return-to-work initiatives.

So why aren't more people working? First, disincentives in our SSA program rules often penalize beneficiaries who attempt to work. Most depend on their SSA benefits to meet their basic needs and would tremendously benefit from working. Unfortunately, beneficiaries are repeatedly told that employment will quickly lead to loss of their benefits. This is absolutely not the case. Yet fear of losing benefits leads them to unnecessarily choose not to work or to needlessly restrict their work hours and earnings.

Second, while many beneficiaries would willingly forgo their cash benefits for the possibility of increasing their income through employment, they still fear potential loss of their corresponding Medicaid or Medicare coverage. Many beneficiaries possess serious chronic health conditions that would make the loss of health care coverage catastrophic to them personally.

Third, beneficiaries fear potential overpayments or sudden benefit termination. Local Social Security offices, facing enormous pressures while attempting to respond to the large increases in program applications, simply lack the personnel and time necessary to accurately administer the work-incentives provisions. The result is an abundance of disruptive overpayments and a sudden loss of benefits that often lead beneficiaries to abandon their hopes for long-term employment.

To address these problems, SSA has established the Work Incentives Planning and Assistance, or WIPA, program. The WIPA program is an employment support that is designed to enable SSA beneficiaries to pursue their goals of personal employment and economic self-sufficiency. WIPA services refer to efforts by a rigorously trained community work incentive counselor to provide accurate and complete information to SSA beneficiaries to enable them to obtain employment, return to work, and reduce dependence on SSI and SSDI.

Currently the WIPA initiative is comprised of 102 projects providing benefits to SSA beneficiaries in all 50 States and territories. Collectively the projects employ 500 rigorously trained Community Work Incentive Coordinators, many of whom are themselves individuals with disabilities. Since their inception in 2000, WIPA pro-



grams have provided work-incentive counseling services to over 450,000 SSI, concurrent and SSDI beneficiaries, including 60,000 persons served over the past year.

So what do they do? In Dallas, a 40-year-old gentleman named Danny secured a heart transplant after a 6-year battle with heart disease. He thought he could never work again without losing his \$1,800-per-month SSDI check. After working with the WIPA project for 3 months, he is working 15 hours per week and is earning over \$1,500 a month for a heavy equipment sales company. In November, his \$1,800 check will go to zero, saving SSA \$20,000 per year for hopefully many years to come.

Jay in Louisville is a young man with developmental disabilities, who receives SSI and has a Medicaid waiver for personal and employment supports. His father contacted a CWIC when Jay began working with a new supported employment provider. The family has received work incentive counseling and information that have allowed them to feel comfortable in letting Jay go to work for the University of Louisville in a job that provides him earnings at a level of over \$1,000 per month. Each month he works results in a savings of \$400 to SSA. Given his age, these savings will compound over the next several decades. If his earnings increase, the savings to SSA will increase as well.

In Los Angeles, Michael received a termination letter on his benefits. The letter also stated that he had an overpayment of \$79,000, money he was ordered to pay back to the Social Security Administration. The CWIC assigned to this beneficiary thoroughly reviewed his case and discovered the client was incorrectly terminated. Due to the CWIC's diligence, attention to detail, and excellent rapport with SSA Claims Representatives and community partners, both issues were resolved. The beneficiary received reentitlement to his SSDI check, and the alleged \$79,000 overpayment was cleared.

Services provided by WIPA projects lead to increased employment, improved earnings, and reduced dependence on disability benefits. These outcomes lead to significant reductions in the overall amount of general funds and trust fund payments to beneficiaries. These savings are large enough to offset the cost of the program and could be expected to compound steadily over time as individuals leave the disability rolls after receiving WIPA services and remain in the workforce for many years to come.

Thank you, Mr. Chairman, and I appreciate the opportunity to answer any questions.

[The prepared statement of Mr. Kregel follows:]

**WORK INCENTIVES PLANNING AND  
ASSISTANCE PROGRAM:  
CURRENT PROGRAM RESULTS  
DOCUMENT THE PROGRAM'S ABILITY  
TO IMPROVE EMPLOYMENT  
OUTCOMES, REDUCE DEPENDENCE ON  
BENEFITS, AND GENERATE  
COST SAVINGS FOR SSA**

**Presented to:**

**Subcommittees on Social Security and  
Human Resources  
House Ways and Means  
Washington, DC**

**September 23, 2011**

**Presented by:**

**John Kregel, Ed.D.,  
Co-Principal Investigator  
Work Incentives Planning  
and Assistance National  
Training Center  
Virginia Commonwealth  
University  
Richmond, VA**

**Work Incentives Planning and Assistance Program:  
Current Program Results Document the Program's Ability to  
Improve Employment Outcomes, Reduce Dependence on  
Benefits, and Generate Cost Savings for SSA**

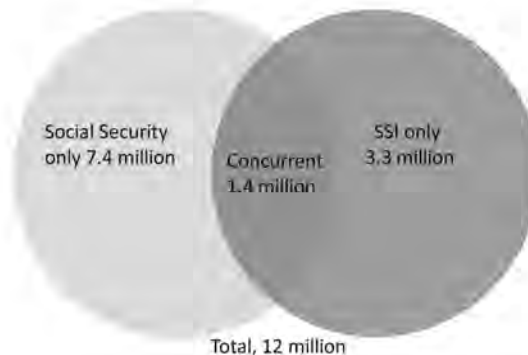
## INTRODUCTION

Social Security Disability beneficiaries and other individuals with disabilities have been disproportionately affected by the recent recession. The employment participation of individuals with disabilities is actually declining. At the same time, the rate at which individuals with disabilities are applying for and being awarded disability benefits is increasing rapidly. The number of individuals in Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) is at an all time high and 2010 SSI and SSDI expenditures exceeded \$160 billion.

**Number of SSA Beneficiaries** - As of March 2011, 13.4 million individuals were receiving disability benefits. Of those, 7.5 million received Title II benefits only, 4.4 million received Supplemental Security Income (SSI) only, and 1.5 million received both SSI and Title II benefits (SSA 2011).

**Supplemental Security Income** is an income supplement program for individuals with little or no income and usually minimal prior work experience. It is a means-tested program; that is, eligibility is subject to strict income and resource limits. SSI is funded by general tax revenues.

**Social Security Disability Insurance** is an income replacement program for individuals with prior work histories who have acquired serious long-term disabilities. SSDI is funded through the Social Security Trust Fund.



SSI and SSDI are vitally needed programs that form a basic safety net for individuals who were born with serious lifelong disabilities or who acquired serious medical conditions through injuries or illnesses. The need for and importance of these programs are as important as every more. Poverty rates among individuals with disabilities are extremely high, with nearly one in three SSDI beneficiaries and three of four SSI beneficiaries living under poverty thresholds.

Percentage and Number of SSDI and SSI Beneficiaries Living in Poverty		
Group	Poverty Rate	Number in Poverty
All Persons 16 to 64 with Disabilities	25%	24,600,000
SSDI Beneficiaries 16 to 64	31%	2,325,000
SSI Beneficiaries 1 to 64	72%	3,170,000

Despite their challenging circumstances, millions of Social Security Administration (SSA) beneficiaries have clear work aspirations or have established vocational goals. Many of these individuals are also either currently employed, receiving vocational training, or have recently engaged in job seeking activities.

#### Employment Status of SSA Beneficiaries

Individuals with disabilities who receive SSI or SSDI are frequently viewed as unemployable, when in reality millions of SSA beneficiaries have clear goals to enter the workforce and reduce their reliance on disability benefits. In terms of the likelihood for engaging in employment or reentering the workforce, the 13.4 million beneficiaries can be divided into two main groups. In terms of the likelihood for engaging in employment or reentering the workforce, the 13.4 million beneficiaries can be divided into two groups.

##### **Individuals with No Immediate Plans for Employment (8.1 Million Beneficiaries)**

- Many SSA disability beneficiaries are gravely ill and are currently battling life threatening diseases or medical conditions, or are living with serious, long-term health impairments that preclude their ability to work at this time. For these individuals, SSA disability benefits provide a crucial safety net that provides assistance with their basic needs. They do not see themselves as working in the immediate future, although their goals could change should their health condition improve.

##### **Individuals Employed or Seeking Employment (5.3 Million Beneficiaries)**

- Many SSA disability beneficiaries desire to work despite their current health conditions and the significant obstacles when attempting to secure employment. Yet this group, which comprises 40 per cent of all SSA disability beneficiaries, are "work oriented" beneficiaries who (1) have a clear goal to enter or reenter the workforce, or (2) have engaged in employment related activities in the 12 months.

Translated into actual numbers, it is estimated that 2.7 million beneficiaries have work goals or aspirations and an additional 2.6 million beneficiaries have, but have also been employed or looked for work in the prior 12 months. **These 5.3 million individuals should be the primary focus of SSA employment and work incentive initiatives.**

Beneficiary Employment Aspirations



#### Current Programs Needlessly Penalize Beneficiaries who Choose to Work

SSA beneficiaries seeking employment include those with minimal prior work histories attempting to obtain employment for the first time (generally SSI beneficiaries) and those who are attempting to work after acquiring a severe injury or debilitating illness (usually SSDI beneficiaries). These individuals face complex, multiple challenges that can be grouped into two main categories: (1) Disincentives to employment in SSA's current benefit programs; and (2) Lack of beneficiary access to education, vocational training, and employment services.

**Disincentives to Employment** - SSA beneficiaries who are capable and desire employment are far too often choosing not to work, restricting their earnings, or leaving employment in the face of disruptive overpayments or benefit termination. SSA's work incentive programs can and must assist beneficiaries to overcome the demoralizing disincentives to employment that exist in our current policies and regulations.

**Fear of Losing Benefits** - Approximately 5.5 million SSA disability beneficiaries currently live below the federal poverty level. Most of these individuals depend on their SSA benefits to meet their basic needs and would benefit tremendously from working. Unfortunately, beneficiaries are repeatedly told that employment will quickly lead to loss of their benefits. This is simply not the case, yet **fear of losing benefits** leads them to unnecessarily choose not to work or to needlessly restrict their work hours and earnings.

**Fear of Losing Health Insurance** - While many SSA disability beneficiaries would willingly forego their cash benefits for the possibility of increasing their income through employment, they still **fear potential loss of their Medicaid or Medicare coverage**.

Many beneficiaries possess serious, chronic health conditions that would make the loss of health care coverage devastating.

**Fear of Overpayments or Sudden Benefit Termination** - Local SSA Field Offices, facing enormous pressures while attempting to respond to the large increases in program applications during a period of constricting resources, simply lack the personnel and time necessary to accurately administer the work incentives provisions of their own rules. The result is an abundance of disruptive overpayments or sudden loss of benefits that often lead beneficiaries to abandon their hopes for long-term employment.

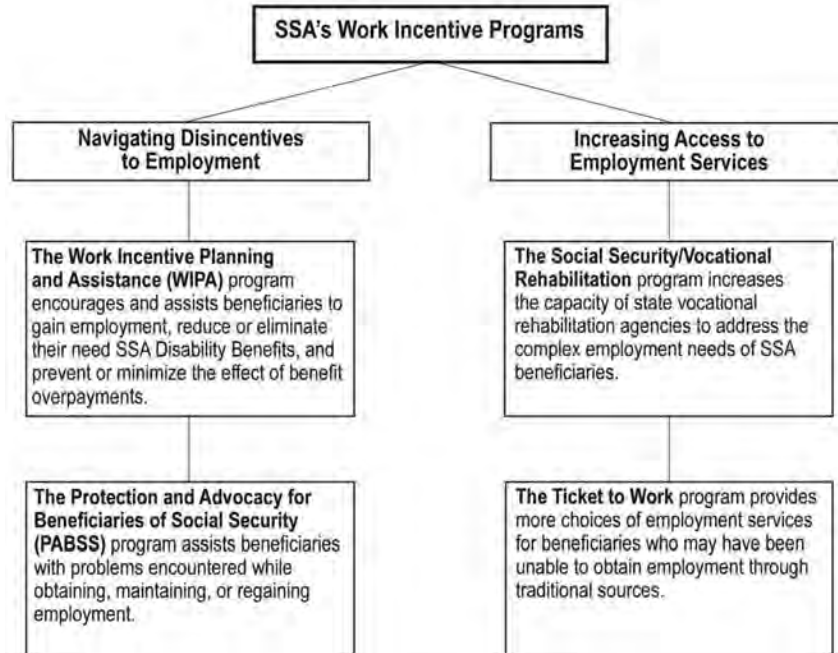
**Need for Employment Services and Supports** - In addition to barriers to employment created by the disincentives in the SSA Disability benefit regulations, beneficiaries also face other challenges as they attempt to enter or reenter the workforce. SSA beneficiaries present unique challenges to employment service providers. Beneficiaries often have no prior work history or have been separated from the workforce for an extended period of time. Many possess chronic health conditions that require specialized employment supports. Lack of training and support services are frequently cited by beneficiaries as major obstacles to employment.

**Lack of Education and Training** - Efforts to promote access of SSA beneficiaries to post-secondary education and the generic employment service system by SSA beneficiaries have achieved mixed success. New approaches are needed that are tailored to the unique needs of SSA beneficiaries.

**Lack of Employment Services and Supports** - Local community service providers sometimes lack the expertise to meet the unique needs of beneficiaries. State vocational rehabilitation agencies face declining budgets at a time when the demand for services is increasing dramatically. To address these concerns, SSA beneficiaries require additional opportunities to access the supports the need to become successfully employed.

## OVERVIEW OF SSA'S WORK INCENTIVE PROGRAMS

To address these obstacles to employment Congress has taken several steps to (1) eliminate a number of the major statutory and regulatory disincentives to employment in the SSA legislation and regulations, (2) support beneficiaries as they prepare for work, enter employment, and increase their earnings to levels that trigger reductions in benefit payments, (3) enable access to alternative sources of vocational training, job placement, and employment support services, and (4) allow beneficiaries to maintain health care coverage while they transition off of federal cash benefits. The primary work incentive programs operated by SSA include the WIPA program, the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program, the Ticket to Work program, and the Social Security/Vocational Rehabilitation program. These programs are identified in the figure and briefly summarized on the following page.



**Work Incentive Planning and Assistance (WIPA) Program** - The WIPA program is designed to help inform people who receive Social Security Disability Benefits of the incentives and provisions available to support their efforts to seek employment. Through individual meetings, Community Work Incentive Coordinators provide personalized, written benefits reports that provide detailed information about various incentives for returning to work, as well as information about how an individual's benefits will be affected by becoming employed. This valuable information allows individuals to make informed decisions about returning to work, seeking employment for the first time, and reducing their dependence on benefits.

**Protection and Advocacy for Beneficiaries of Social Security (PABSS)** - The purpose of the PABSS program is to provide information, assistance, advice, and individual representation to Social Security beneficiaries with disabilities regarding vocational rehabilitation services, employment services, and other support services from employment networks and other service providers that eligible beneficiaries with disabilities may need to secure, regain or retain gainful employment.

**Ticket to Work Program** - The Ticket program is designed to provide Social Security beneficiaries more choices for receiving employment services. Under the program, SSA issues tickets to eligible beneficiaries who, in turn, may choose to assign those tickets to an Employment Network (EN) of their choice to obtain employment services, vocational rehabilitation services, or other support services necessary to achieve a vocational (work) goal.

**Social Security/Vocational Rehabilitation Program** - The SSA/VR program is designed to create more opportunities for beneficiaries to access and benefit from employment services provided by state vocational rehabilitation (VR) agencies. Under the program, state VR agencies are reimbursed by SSA for the costs of employment services, but only if the beneficiary meets strict criteria for earning and employment retention.

## WORK INCENTIVE COUNSELING

Work Incentive Planning and Assistance (WIPA) program is an employment support service that is designed to enable SSA beneficiaries to pursue their goals of personal employment and economic self-sufficiency. WIPA services refer to efforts by a rigorously trained Community Work Incentive Counselor (CWIC) to provide accurate and complete information to SSA beneficiaries to enable them to obtain employment, return to work, and reduce the dependence on SSI and SSDI.

Currently, 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.

**Eligibility Criteria** - To be eligible to receive WIPA services, an individual must be: (1) At least age 14, but not yet full retirement age, disabled per SSA's definition, and already receiving Social Security benefits based on disability (SSI or a Title II disability benefit such as SSDI, CDB, or DWB). WIPA projects are specifically forbidden to assist individuals in applying for benefits or appealing a denial of benefits.

**Number of Projects per State** - The number of WIPA projects in a state and the amount of funding available to the projects is based on the number of SSA beneficiaries residing in the state. As indicated in the table below, 30 states have a single WIPA project while others have up to nine. The number of projects in some of the larger states is directly affected by the current legislative authorization that requires that the maximum WIPA project award be limited to \$300,000. While the original intent of this requirement was to ensure that services be delivered in close proximity to beneficiaries, technological advances over the past decade have led to services frequently being provided through audio conferences and other cost-effective means.



Today, it appears that the \$300,000 award cap may unnecessarily restrict the administrative flexibility of both SSA and the projects.

Number of WIPA Projects per State 50 States and Puerto Rico/Virgin Islands 102 Total Projects	
One WIPA Project (30 States)	Alaska, Arkansas, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Maryland, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Dakota, Utah, Vermont, Virginia, West Virginia, Wyoming
Two WIPA Projects (11 States)	Alabama, Georgia, Indiana, Kentucky, Louisiana, Massachusetts, Missouri, Montana, South Carolina, Tennessee, Washington
Three WIPA Projects (5 States)	Illinois, New Jersey, Ohio, Pennsylvania, Wisconsin
Four WIPA Projects (2 States)	Michigan, North Carolina
Five WIPA Projects (1 State)	Florida
Six WIPA Projects (1 State)	Texas
Seven WIPA Projects (1 State)	New York
Nine WIPA Projects (1 State)	California

**Types of Organizations Providing WIPA Services** - A wide variety of agencies and organizations provide WIPA services. Not for profit community organizations (e.g. Goodwill, local mental health agencies, local rehabilitation agencies, etc.) and Centers for Independent Living (CILs) account for almost 60% of all providers. While CILs continue to make up a major provider group, with over a quarter of all programs, the actual number of CILs providing services declined from 53 during the former BPAO program to 23 in the current WIPA program. Large state agencies (Vocational Rehabilitation, Workforce Development, Mental Health, Universities, and Medical Centers) combine to total 35 agencies, over one-third of all projects.

Type of Agencies Providing WIPA Services (N=102)	
Not for Profit Community Organizations	30
Independent Living Centers	28
State Vocational Rehabilitation Agencies	11
Disability/Advocacy Organizations	9
Protection and Advocacy Organizations	7
Other State Agencies	7
Universities	6
State Workforce Agencies	4

**WIPA services focus on assisting SSA beneficiaries to use work incentives to get back to work.** SSA beneficiaries work for the same reasons that everyone does. Their primary goal is to

achieve financial independence, moving themselves from reliance on disability benefit programs that restrict them from moving from poverty to more prosperous lives. Beneficiaries who rely solely on Disability benefits too often lead lives of poverty, poor health, and social isolation. Employment is the primary mechanism for enhancing self-sufficiency – increasing an individual's level of safety, independence, nutrition, health, and community participation. Whether it is an SSI beneficiary working for the first time in an entry level position, or an SSDI beneficiary returning to work in a new career, employment is the path to economic stability and security. The specific services provided by CWICs are identified in the table below.

<b>Services Provided by Community Work Incentive Counselors</b>	
1. Assisting SSA Disability Beneficiaries to develop the employment and economic self-sufficiency goals that will enable them to successfully reduce or eliminate their need for Disability benefits and lead their self-chosen lifestyle goals	
2. Counseling individuals on available options for obtaining or maintaining employment	
3. Providing individualized information to beneficiaries regarding the impact of changes in employment or personal circumstances on their benefits and health care coverage	
4. Providing long-term assistance and support to beneficiaries as changes occur in their employment and benefits status	

Work Incentive Counseling is not a one-time service. As an individual pursues and obtains employment, Community Work Incentive Counselors provide ongoing information and supports to individuals in response to their changing needs. They work with beneficiaries to report their earnings to SSA and minimize the likelihood of receiving an overpayment. They identify transition points at which the counselor and beneficiary should communicate to ensure that the work incentives and program regulations are accurately applied (e.g. Completing a Trial Work Period, entering into 1619b status, beginning the Extended Period of Eligibility, etc.). In addition, Community Work Incentive Counselors review changes in a beneficiary's employment status to make certain that increases in earnings or altered fringe benefits don't negatively affect the individual's benefit status or health care coverage.

#### **EFFECTIVENESS OF WORK INCENTIVE COUNSELING**

Ample evidence exists to demonstrate that the WIPA program is highly cost effective, generating a significant return on investment. Savings occur as a result of reduced disability payments to beneficiaries, performance of functions that would otherwise need to be provided by over strapped local Field Offices, and prevented job loss as a result of preventable overpayments to beneficiaries.

Services provided by WIPA projects lead to increased employment, improved earnings, and reduced dependence on Disability benefits. These outcomes lead to small but significant reductions in the overall amount of general funds (SSI) and Trust Fund (SSDI) payments to WIPA participants. These savings are more than large enough to offset the cost of the program and can be expected to compound steadily over time as individuals leave the disability rolls after receiving WIPA services and remain in the workforce for many years.

### Recent Federal Evaluations

Two recent evaluation studies conducted by Mathematica Policy Research (MPR) under contract to SSA provide comprehensive information on the performance and outcomes of the WIPA projects. The first, *Evaluation of the Recent Experience of the Work Incentives Planning and Assistance (WIPA) Program: Beneficiaries Served, Services Provided, and Program Costs* (Schimmel, Roche, & Livermore, 2011), covers the time period April 1, 2010 to March 31, 2011 and provides up to date on the number of beneficiaries served, their employment and demographic characteristics, and the type and amount of services received. Major findings are identified below.

**WIPA projects served approximately 60,000 in the past year.** Total beneficiaries served included 45,000 receiving services for the first time and 15,000 who first began receiving services during an earlier time period.

**Over the past year the percentage of beneficiaries served in WIPA planning services has increased by 12%.** In the past year, the projects served fewer people in low intensity Information and Referral services, while the number served in more intensive WIPA planning services remained virtually constant with prior years, even as the overall employment rate of individuals with disabilities declined during the time period.

**The percentage of individuals employed at the time they enter WIPA service has increased by 15% over the past year.** There has been a refocus of WIPA activities toward individuals who are employed or entering employment. These program changes have occurred rapidly since formal guidance was first provided by SSA in 2010.

Employed at the Time of Entry into Intensive Work Incentive Counseling Services			
Employment or Job Offer Pending at the Time of Entry	2006 VCU BPAO Program Summary Report	2010 MPR WIPA Evaluation Report	2011 MPR WIPA Update Report
	27.8%	34.7%	39.8%

This recent study confirms that the WIPA program is delivering intensive WIPA planning services to a large number of beneficiaries. They are focusing their efforts on beneficiaries who are employed or will enter employment in the immediate future.

### WIPA Impact on Beneficiary Employment Status and Benefit Reductions

The second MPR 2011 report, *Employment-Related Outcomes of an Early Cohort of Work Incentives Planning and Assistance (WIPA) Program Enrollee* studied a cohort of beneficiaries initially enrolled between October 1, 2009 and March 31, 2010 for nine to fifteen months post service receipt and draws two major conclusions. The report found a consistent and significant relationship between the receipt of WIPA services and an increased likelihood that a beneficiary will be employed and experience a reduction in benefits in the future.

**Correlation with Employment** - Employment rates for the cohort after WIPA services increased from 34 percent at intake to 55 percent at follow-up. The report concluded, *"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."*

**Correlation with Benefit Reduction** - WIPA services also correlated with benefit suspension or termination. The report concluded *"Other characteristics held constant, those receiving more-intensive WIPA services are significantly more likely than others (other work oriented beneficiaries) 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."*

**Savings to SSA** - The MPR WIPA cohort report also extrapolates the savings from reduced disability benefits to a 12 month WIPA cohort. "In total, we estimated that our sample of WIPA enrollees experienced \$1,726,273 in benefit reductions due to earnings during the nine months after WIPA program entry. *When we convert this estimate into an annual amount for a 12-month cohort of WIPA enrollees, it is equal to \$4,603,395, or about 20 percent of the \$23 million in annual WIPA program costs.* While these savings might seem modest, it is also the case that significant savings can accrue to SSA over time when beneficiaries reduce their benefits and leave the rolls because of earnings for extended periods."

The findings of the WIPA cohort report are not surprising. They are consistent with a prior study of the Benefits Planning, Assistance, and Outreach (BPAO) program (MPR 2009) and a number of other state-level evaluations, some of which are based on sophisticated comparison group designs and others that present basic descriptive information. Information is available from Vermont, Wisconsin, Connecticut, Oregon, Minnesota and other states. Whenever the WIPA program and work incentive counseling services have been evaluated, it has been shown to improve employment outcomes, lead to reduced dependence on SSA benefits, and generate savings for the government. The program should be reauthorized and additional evaluation studies should be completed to rigorously examine the program's long-term return on investment.

## RETURN ON INVESTMENT OF THE WIPA PROGRAM

Evidence now indicates that the WIPA program is providing thousands of individuals with intensive planning and support services. Beneficiaries who receive this information are entering employment in large numbers and working at a level that reduces or eliminates their dependence on Disability benefits. The return on investment of the WIPA program should be measured in three ways: Reduced SSI and SSDI payments to beneficiaries; eliminating and reducing the negative impact of overpayments to beneficiaries; and performance of a function that would otherwise add to the burden of the local SSA Field Offices.

**Reduced SSI and SSDI Payments to Beneficiaries** - The results of the recent MPR analysis identified a cost savings for a cohort of SSA beneficiaries and found an annual reduction in payments of approximately \$4 million per year. While this is modest in terms of the program's \$23 million annual costs, it is important to note that these savings will increase dramatically over time. This same cohort will continue to generate cost savings each year and actually increase savings as beneficiaries move through the work incentives. For example, SSDI beneficiaries who start their Trial Work Period during a given year may not see their benefits terminate until one or two years after beginning service with a WIPA project. Similarly, SSI beneficiaries, who may be engaging in employment for the first time, will potentially see their earnings increase as they gain experience and advance in their jobs.

It is important to note that some beneficiaries in the cohort analyzed by MPR may not begin to see their benefits reduced for a period of several years. For example, individuals who use work incentives to allow them to attend college while receiving benefits may not begin to work for several years. This fact simply reinforces that the return on investment of the WIPA program must be measured over a period of years to determine the precise amount of savings that will accrue to the General Fund (SSI) and the Trust Fund (SSDI).

Cost savings to SSA will also result from the fact that a new cohort of beneficiaries will begin to receive services from WIPA projects each year. After five years, the \$4 million in benefit reductions will be closer to \$20 million per year and will continue to rise until individuals reach retirement age and begin to leave the workforce.

**Eliminating and Reducing the Negative Impact of Overpayments to Beneficiaries** - The overpayment and other administrative problems faced by SSA are widely known. However, these issues are not simply administrative concerns. *It is crucial that overpayments and the application of other work incentives must be viewed from the perspective of beneficiaries.* Moving into overpayment status may have a negative impact on beneficiaries' efforts to maintain employment.

WIPA projects assist with the overpayment problem in a number of ways. First, CWICs work with beneficiaries to report their earnings to SSA in an accurate and timely manner, thereby reducing the likelihood of overpayments. Second, when an overpayment occurs, they can work with the beneficiary and the local field office staff to ensure that past work has been accurately computed and that all work incentives have been applied, potentially reducing the impact of the overpayment on the beneficiary. Third, by working closely with the beneficiary, CWICs can ensure that the overpayment doesn't lead to a decision on the part of the beneficiary to terminate employment and return to the beneficiary rolls.

Based on information by the WIPA projects, it is estimated that CWICs work with 5,000 individuals in overpayment status each year and that overpayments are a primary reason beneficiaries contact the WIPA for assistance. It can be assumed that a sizable percentage of these individuals are beneficiaries who originally express an intent to terminate employment, but who reconsider their decision after receiving services from the CWICs. Future research should investigate the extent to which beneficiaries reconsider their decision to work upon receipt of an overpayment and the effectiveness of services provided by WIPA projects in minimizing the

number of beneficiaries who remove themselves from the work force and return to the disability rolls.

**Performing a Function that Otherwise would be an Additional Burden to SSA Field Offices**

- Overpayments are not the only problems faced by SSA beneficiaries that can be addressed through the WIPA program. Counselors are also able to work with beneficiaries and local agencies to address disruptions in health care coverage, accessing the Medicaid buy-in option, identifying the combination of public and private health care coverage that best meets their needs, and responding to changes in the beneficiary's employment and personal situations (promotion at work, marriage, having children, etc.).

SSA Field Office staff are overwhelmed with their current responsibilities and most lack knowledge of the complex details of many work incentives used by employed beneficiaries. This has led to many beneficiaries making employment decisions based on incomplete or inaccurate information, hundreds of thousands of individuals in overpayment status, and the long-term unemployment or under-employment of beneficiaries who otherwise have the desire and ability to work. Services provided by Community Work Incentive Counselors such as developing past work histories, reducing overpayments among beneficiaries, and counseling beneficiaries on their earning reporting responsibility save significant resources for the agency and add to the cost-effectiveness of the WIPA program.

## RECOMMENDATIONS

To assist the Subcommittees in their deliberations, five recommendations are offered.

**Recommendation 1. The WIPA program should be reauthorized for an additional five years.** Evidence clearly indicates that WIPA program service delivery has dramatically improved in the past several years and should continue to improve following the implementation of clear service delivery benchmarks for the projects. Every analysis of the program completed to date indicates that the program is:

- Benefiting a group of beneficiaries who would not otherwise receive the service in the absence of the program;
- Assisting individuals to use all available work incentives to obtain employment or reenter the workforce;
- Giving short-term support to beneficiaries whose critically needed benefits have been jeopardized through no fault of their own; and
- Providing long-term support to individuals working to improve their financial independence and eliminate their need for financial benefits.

Recent national and state level evaluations of the program have revealed significant impacts on employment and sufficient reductions in benefits payments that offset the cost of program operation. These results translate

directly to savings in the SSA payments made to SSA beneficiaries that more than pay for the costs of the program.

**Recommendation 2. 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.

Recommended Performance Standards to Guide Future Evaluations of the 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	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
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

- Recommendation 3.** **The reauthorization should eliminate the current cap of \$300,000 per WIPA project in order to provide SSA administrative flexibility and increase overall program efficiency.** The nature of the WIPA program has changed significantly since its initial inception in 2000 and its refocusing in 2006. Given the program's level funding since 2000, both SSA and the projects themselves should be granted maximum flexibility to design the program in a way that minimizes administrative duplication and increases available service delivery options.
- Recommendation 4.** **The reauthorization should identify transition age youth as a major underserved population in the WIPA program and require specific actions to improve the ability of these beneficiaries to access and benefit from the program.** The participation rate of transition age youth in the WIPA program has consistently lagged behind other subgroups of the overall SSA population. Specialized outreach efforts or service delivery models must be developed and implemented to effectively address the needs of this group of beneficiaries. Available evidence shows that those beneficiaries who are younger and have received disability benefits for a shorter period of time are more likely than others to become employed and reduce their need for financial benefits. Services should be targeted toward this group to ensure that transition age individuals with significant disabilities come to believe that employment and economic self-sufficiency are attainable goals for them as they enter their adult years.
- Recommendation 5.** **The same type of rigorous performance standards that are recommended for the WIPA program should be established and applied to all other SSA work incentive programs.** The WIPA program is an essential component of SSA's overall employment and return to work initiative, but it can only achieve its mission and maximum effectiveness in combination with other work incentive programs. The PABSS, Ticket to Work, and Social Security/Vocational Rehabilitation program should all be subject to clear performance standards and their outcomes measured in terms of the extent to which programs funds are devoted to promoting the employment and financial independence of SSA beneficiaries.



Chairman JOHNSON. I thank all of you for your testimony. We will now turn to questions. And as is customary for each round of questions, I will limit my time to 5 minutes and ask my colleagues and my companion chairman here to limit your time to 5 minutes as well.

Mr. Bertoni, GAO found employment networks paid by Social Security who were essentially coaching ticket holders to work part time so they wouldn't lose their benefits even though the goal of Ticket to Work is to get individuals back to work and off disability. I understand you have taped conversations to prove this. I would appreciate it if you would play a couple of these conversations for us and then tell me, one, how widespread it is; two, what Social Security has done to address it; and three, what this says about Social Security's ability to manage this or other work-incentive programs.

Mr. BERTONI. Sure. Let me quickly preface this by saying that in interviewing the employment networks, 15 of 25 of them told us that SSA had not articulated any specific outcomes for them, nor had they provided performance goals. So in an environment like that, you really run the risk of, number one, confusion in terms of how you explain the rules; lack of consistency across the various profiles in terms of how those rules are applied; and last, it is an opportunity for a potential abuse. So any one of those things could be coming into play with these recordings. It just shows that when you have that type of environment, that these types of things can happen. So if you want to roll those tapes, that would be great.

[Tape played.]

Mr. BERTONI. It looks like they just went with two calls.

Your question was, how pervasive? We don't know how pervasive this is. What we did is we followed the money. We went with the top 20 providers, and we talked to an additional 5 providers. We had three lines of questioning. We had lines for shared payment approaches. We had calls for employer-driven approaches, and we had calls for vendors that we didn't know what they were doing. Based on the descriptions of their Web sites, and interviews that we had, and documents that we looked at, we really couldn't discern what the services that were being offered, so we felt that we had to call these individuals and sort of get behind that information.

We made eight calls to different providers. We had multiple no answers, no contacts where we couldn't get through. But three of those eight resulted in these conversations where it appeared that there was some real coaching going on.

SSA doesn't have a good sense of this either. We do know there are other Web sites and other providers that are promoting this type of activity, but we don't have a good sense of the universe or what is going on amongst the 1,600 providers. But SSA could do that. They could get behind that.

You asked actions they can take and are taking. They do a secret shopper program. They have a secret shopper program. You could systematically do exactly what we did: sample or go through the entire range of employment networks, the larger providers, and sort of get a sense of the extent to which this is happening.

I think one of the primary things that has to happen here is they really need to establish performance metrics that are designed to move employment networks toward pushing employment that is beyond part-time work. Until you establish that metric and you hold these folks accountable, again, you have opportunity for confusion, inconsistent application, and perhaps abuse.

Chairman JOHNSON. Thank you. My time has expired. I appreciate you all looking at that. Thank you so much.

Mr. Williams, would you care to respond?

Mr. WILLIAMS. Yes, I would.

Chairman JOHNSON. Go ahead.

Mr. WILLIAMS. We have established clear performance standards and expectations that coaching people to limit their earnings is completely unacceptable, and we are weeding out those that do. We have instituted a contract process that will enable us to terminate bad actors and have done so already. Additionally, we will submit a response for the record.

[The information follows:]

As of September 30, 2011, all ENs are under new terms and conditions with performance measures, including requirements for job placement, job retention, and assisting beneficiaries to leave the rolls and achieve financial independence. Beginning in early 2012, SSA will evaluate ENs performance and sanction those that do not meet our standards. Sanctions will include probation and the requirement to present a credible improvement plan and possible termination of the contract in the following year if the EN still does not meet the performance standards.

Chairman JOHNSON. Thank you, sir.

Mr. Bertoni, are you guys on top of most of the States in the country?

Mr. BERTONI. In terms of—

Chairman JOHNSON. Looking at this program.

Mr. BERTONI. The distribution of the 25 providers gave us some good geographic distribution, but I don't know if we covered—we certainly didn't cover every State.

Chairman JOHNSON. Well, no two States are alike, I presume.

Mr. BERTONI. No. But the rules of the program should be alike, and they should be applied very consistently.

Chairman JOHNSON. Agreed. Okay. Thank you for your comments. And I have extended my time.

I recognize Chairman Davis. And thank you for having your Subcommittee join us today.

Chairman DAVIS. It is a privilege, Mr. Chairman.

Mr. Bertoni, I want to follow on the line of having SSA get necessary program information. Do we know how much taxpayers have spent on the Ticket to Work program since it started, including amounts paid to employment networks?

Mr. BERTONI. Sure. I can give you recent information from our reporting period a little bit before that. When we reported, it was about \$34 million in administrative costs and about \$13 million

paid out in Ticket dollars to ticket holders. In 2007, that amount—Ticket payments were about \$3.8 million. By 2008, they were \$5.6 million. By 2009, they were up to \$12.6, and partial-year 2010 were \$13 million. So that is about \$41.5 million in Ticket payments.

This year here, though, we have a real rapid increase in these payments. We see that is a pretty significant increase post-2008, primarily driven by the rapid increase in beneficiaries from 22,000 to 49,000. So this program has grown—well, the numbers are relatively small. It has grown quickly in terms of the payments. And when you look at the potential eligible beneficiaries, there are 12 million people out there who have a ticket who could come forward at some point in the near future. So this program is poised to grow, and it could be significantly, based on the numbers that could take up the tickets.

Chairman DAVIS. It sounds like a disproportionately high amount of administrative costs for the current payout. Do we know what aspects of the Ticket program are working?

Mr. BERTONI. I think, as SSA and others have said, I think they have done a very good job of increasing the number of employment networks and are doing a significant job in increasing the number of folks who are taking up tickets and using them.

Chairman DAVIS. I guess maybe a bigger question is, in my mind, getting people into a program is not necessarily a definition of effectiveness. Would you rate the Ticket program as effective? And do you believe that SSA is adequately collecting and analyzing proper information to be able to answer these sorts of questions?

Mr. BERTONI. To date, no. I think the front part of that is getting folks in the program is important. You have to work with something. But there is a management aspect to this, and from that standpoint, I think they have not been effective in many ways in terms of vetting and approving the employment networks to ensure they are qualified; in terms of monitoring individual ticket holders; certainly establishing performance measures to hold employment networks accountable; and also to evaluate and reevaluate the program, determine what is working and what isn't, what are the trends in service provisions, and what are the outcomes that are coming out of this program. That is what is not happening, and that is what we don't know, and that is what SSA does not know to date.

Chairman DAVIS. Dr. Weathers, do you have anything to add?

Mr. WEATHERS. Yes. We do have an independent evaluator, Mathematica. They have been doing an evaluation of the Ticket program since its inception. Many of their earlier reports—they have already produced five reports—were used in order for us to change the program in 2008 with the new regulations.

Since 2008, we have been collecting data on outcomes of ticket beneficiaries, and we just completed a national beneficiary survey. Mathematica is conducting an analysis of that national beneficiary survey so we will be able to measure outcomes of ticket beneficiaries since the new regulations went into place in 2008. But it does take time for a new program and new rules to be communicated to the public and to beneficiaries, and we need to wait a period of time before we can effectively evaluate how the new rules are working.

Chairman DAVIS. Okay. Dr. Kregel, as an academic, do you think Dr. Bertoni's findings are acceptable, and what do you recommend we do to hold Ticket to Work and other work-incentive programs accountable?

Mr. KREGEL. I think that it is important to set performance standards for each of these programs. Looking at, for example, the Ticket program, it is important to ask, in the absence of this program, would these people still return to work? And if you look at the examples that have been cited that effectively indicate that individuals are assigning their ticket with an EN, they are working, but the EN is not providing them any service, then it is very reasonable to say, in the absence of this program, wouldn't this person have gone to work anyway? So the notion is, if the program is not there, would these individuals return to work? Would it result in savings to the government, savings to SSA? And that is the question that needs to be addressed going forward.

Chairman DAVIS. I will just leave you with a thought. And perhaps those of you on the panel that feel so moved, but specifically from Dr. Weathers and Mr. Bertoni, I would appreciate just a response in writing for the sake of time.

It seems that there are compelling disincentives for people to want to go to work, particularly what I have seen in the eastern portion of my district, an outright racket with attorneys who are advertising on the radio for benefits, that make outrageous fees, and, you know, really want to discourage folks from going back to work and the benefits of that.

I would be interested just as an adjunct in this, in order to make Ticket to Work work, what are some things that might be able to be done to curtail the program from an inappropriate perspective; wanting to help people, but at the same time avoiding folks profiteering off the backs of these folks in need?

[The information follows:]

We are exploring several areas that would encourage disability beneficiaries to work and become self-sufficient. Our work incentive simplification pilot (WISP) would encourage beneficiaries to work since their disability and Medicare benefits would not be terminated because of work and earnings. Under WISP, benefits only would be suspended for months in which a beneficiary works above the substantial gainful activity level (\$1,000 in 2011). The FY 2012 President's Budget includes legislative proposals that would allow us to conduct WISP. Additionally, we think the Benefit Offset National Demonstration project that is testing a \$1-for-\$2 benefit offset will encourage beneficiaries who want to work despite their disability by providing a gradual reduction in benefits if they choose to earn above SGA.

In our recent report on the Ticket to Work program (GAO-11-324) we found that SSA still lacks critical management and oversight mechanisms to assess whether the program is achieving its original purpose, and ultimately, whether the program is viable. It also has not collected adequate information on service provision that could help the agency and policymakers analyze program trends, including the increasing prevalence of sharing SSA ticket payments with ticket holders. In this regard, SSA is not well positioned to assess the long-term success of the program or whether service approaches, such as sharing payments with ticket holders, are consistent with program goals. Ultimately, we believe SSA must balance its efforts to increase participation in the program with a commitment to outcome-oriented results that emphasize reducing beneficiaries' dependence on benefits. Without improvements to existing management tools and oversight procedures in the Ticket program, the agency will not be able to provide reasonable assurance that, in a time of increasing fiscal challenges, limited tax dollars are being effectively used to achieve these important program objectives. We have made several recommendations including that SSA adopt a strategy for compiling and using data on trends in employment network service provision to determine whether service approaches, such as sharing SSA ticket payments with ticket holders, are consistent with program goals of helping ticket holders find and retain employment and reduce dependency on benefits; for example, SSA could revise existing tools to compile information on service approaches used by all ENs. We also recommended that the agency move forward to develop EN performance measures consistent with the requirements of the Ticket law. We will continue to monitor agency compliance with these and other recommendations to improve the Ticket program.

Chairman DAVIS. With that, I thank the chairman for his additional indulgence, and I yield back.

Chairman JOHNSON. Thank you. I appreciate your comments.

Mr. Becerra, you are recognized for 5 minutes.

Mr. BECERRA. Thank you, Mr. Chairman.

And thank you all for your testimony and your work.

Mr. Bertoni, I want to focus in on some of the things that you have been saying, because you are going to get most of the attention here. I want to see if I can get ahold of a threshold question. We are talking about folks who qualify for SSI or SSDI benefits. We are talking about folks who have proven to have a health condition that is severe enough that they would qualify to receive some form of assistance, disability assistance. No one is questioning that the folks that we are talking about are disabled in some form that are interested in trying to work.

Mr. BERTONI. Correct.

Mr. BECERRA. So having said that, as I listen to those tapes, my sense was that we may have to work on these employment networks.

Mr. Bertoni, do you have anything to share with us that shows that beneficiaries were trying to game the system?

Mr. BERTONI. No. I think the—our recommendations in my introduction was that it is between the agency and the employment networks where the guidance needs to be clarified, and these networks need to be educated as to what you can't say and what you can say, and how best to screen and counsel folks to get them back to work.

Mr. BECERRA. So you have given us some good guidance on how to zero in to try to make these programs work better, because I don't hear anyone saying here that beneficiaries are trying to game the system, get benefits that they don't deserve, or game the sys-

tem by saying they are working or working enough and then keep both benefits and salaries.

Mr. BERTONI. No. In fact, if you listen to the tapes, you go to the Web sites, or you read any of SSA's materials that they put out, that is what is said: You can work. You can work part time. It is acceptable. But there is a "for a period of time" in there, of course. But I think these folks are reading this as, I can do this.

Mr. BECERRA. So now I want to get the question to you in just a second, but first I want to ask Ms. Russell a question.

The chairman and I were just chatting about the work that Walgreens is doing, which seems to be tremendously helpful to a lot of these folks who are receiving these disability benefits that are trying to work. So I want to make sure we don't paint with a broad brush all these employment networks, because there seem to be some that are trying to do this the right way. And I would hate for folks who are trying to really connect someone who is receiving these disability benefits with a job, all of a sudden I feel like, gosh, I am getting bashed over the head for trying to do this, and I am also investing some pretty significant resources to make it work.

Have you found a particular formula that helps you succeed so that you don't find that your folks on the other end of the phone doing something like this?

Ms. RUSSELL. Yeah. I think that our formula for success overall mirrors our formula for success with the Ticket program, and that is that education is key. Our individuals, our staff people who are involved in the Ticket program, are well educated on what parameters within our role as an employer and our role as an employment network they need to operate within. They are provided a lot of information about what they can and can't say, what they can and can't do. We maintain a lot of the control at corporate, which prevents us from having to worry about things happening out in the field that would be inappropriate.

Mr. BECERRA. I will ask Mr. Williams and Dr. Weathers, I know you have some budgetary issues, staffing issues, but I suspect that there are some employment networks that are out there that produce well and most folks that, say, are doing the right thing. I am not sure if it is a matter of getting the best practices from some of these folks or somehow doing things because I know you are shy of money. But I think there has got to be a way, short of making very expensive investments, to try to make this program work.

I think what Mr. Bertoni had pointed out through these taped phone conversations is that either the employment network folks are trying to help these folks maintain as much of an income as possible, or they are trying to avoid having to bring them on full time. Either way I think we need to figure that out.

Mr. Bertoni, let me ask you this: SSA just took a massive hit in its budget. It is receiving \$1 billion less than it said it needed just to try to keep pace with an already growing caseload. What you are suggesting that they do is program integrity isn't cheap, and it is not free. They would have to hire more folks or put more investments up front with people who are already steeped with work in order to try to up front catch some of this gaming activity. Is that correct?

Mr. BERTONI. There is no question with more resources you can do more. I guess the position we have is this program has been around since 1999. It has been growing, expanding. There were some new initiatives in play. And there is some blame to be laid at the agency's management doorstep in terms of what could have been done in prior years.

Luckily, we are here at a time when the program is not huge. Five years from now, we could have a bigger problem on our hands. These are issues that need to be addressed. And within the resources they have, I think they can leverage some of that to do better. If they had more resources, could they do more? Absolutely.

Mr. BECERRA. Thank you for that. And I just hope that what SSA does is takes some of this information, perhaps talks to some of those who have shown some good practices, and try to quickly take advantage of those best practices so that we can move the program forward, you know, make it work better, because I think what we are showing is that there are a lot of Americans who are receiving disability benefits who would love nothing more than to be able to go to work as much as possible. So thank you all for your testimony.

Mr. WILLIAMS. If I might, sir, I agree we need to do more to identify what is working, and a prime way we need to do this is to learn more about the over 5,000 people that have left the rolls with the support of an employment network. That, to me, is where to start.

Chairman JOHNSON. Thank you, sir.

Mr. Brady, you are recognized for 5 minutes.

Mr. BRADY. Thank you, Mr. Chairman. Both of you, thanks for holding this hearing.

Ticket to Work is a great concept, it makes great sense not just for taxpayers, but for those with disabilities that, as technology progresses, it allows them to move back into the workforce. It makes sense. My frustration is that after 15 years, we don't know if this works.

Dr. Weathers, a simple question. A decade and a half, what percentage of those using Ticket to Work have now gone on to full-time, sustained employment? What percentage?

Mr. WEATHERS. A very, very small percentage. We are currently conducting an evaluation of the percentage of people who have returned to sustained full-time employment since the new regulations were in place in 2008. We needed a 3-year period in order to track.

Mr. BRADY. Do you have numbers prior to that?

Mr. WEATHERS. We do have numbers prior to that, yes, between 2001 and 2006, and the numbers were very, very small. And that is what inspired the impetus behind changing the regulations in 2008.

Mr. BRADY. What was that percentage? I am not trying to pin you down. I am trying to figure out what we can do to make this really work.

Mr. WEATHERS. I can provide that number for the record for you.

Mr. BRADY. Bigger than a bread box; 5 percent, 10 percent?

Mr. WEATHERS. No. I would say around 5 to 10 percent is the ballpark. But I can provide you with a more precise number for that.

[The information follows:]



Our best estimate of the long-term employment success of Ticket to Work participants is based on our 2010 research findings using data through 2006. We estimate that about 9 percent of ticket participants had sufficient employment to leave cash benefits and these participants then remained off SSA benefits for half of the succeeding 48 months we could observe.

We know that about 17 percent of TTW participants eventually experienced at least one month in suspense or termination status due to work (see the table below). We also know the proportion of months such beneficiaries remain in suspense or termination status due to work (see the graph below). The proportion of months off the rolls is not the same as duration, but we can interpret it in a similar way.<sup>1</sup> Combining the information from the table and the chart, we can estimate that through 2006:

- 7.3% of milestone-plus-outcome participants (42% of the 17% who reach an initial suspense) had sufficient employment over multiple months to keep them off SSA benefits,
- 15% of outcome-only participants (60% of the 25% who reach an initial suspense) had sufficient employment<sup>11</sup> over multiple months to keep them off SSA benefits, and
- 8.7% of traditional reimbursement ticket participants (53% of the 17% who reach an initial suspense) had sufficient employment over multiple months to keep them off SSA benefits.

Adding and weighting these three figures, we estimate 8.8% of ticket participants through 2006 had sufficient employment over multiple months to keep them off SSA benefits for extended periods of time. These figures include both uninterrupted and interrupted periods off cash benefits after a work suspension. We consider this proportional measure of duration to be better than simply measuring the length of the first uninterrupted spell, because it does not give undue weight to short spells in which beneficiaries return to benefits. Though this data is only through

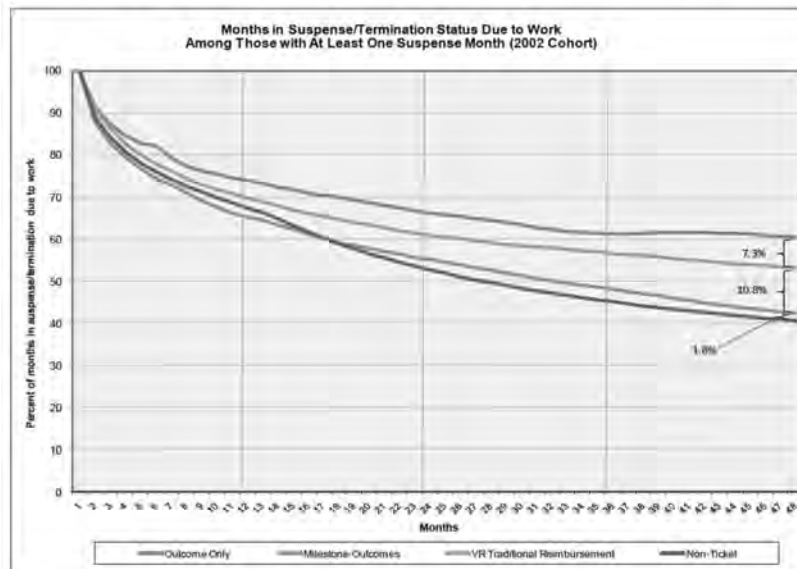
2006, we expect that these same patterns would have continued through 2009. We expect the employment success rates will have dropped after 2009 due to the recession.

Number and Percentage of Ticket Participants  
Experiencing time off the Rolls Due to Work through December 2006

	Ticket Assignments 2002-2005	Participants with at least one month in suspense or termination by 12/2006 (estimated)	Proportion of months participants spent in suspense or termination through 12/2006 following their 1 <sup>st</sup> month in suspense or termination (estimated)	Participants with extended suspensions or terminations spells through 12/2006 (estimated)
All TTW Participants	139,795	17%	52%	8.8%
Milestone-outcome	15,029	17%	42%	7.3%
Outcome-only	3,780	25%	60%	15%
Traditional	120,986	17%	53%	8.7%

Source: Ticket Research File (TRF) 2007. Calculations based on Appendix Exhibit A.2 (Cumulative Percentage Off the Rolls Due to Work for at Least One Month, by Payment System, Assignment Year, and Payment Title) and Appendix Exhibit A.1 (Number and Percentage of Beneficiaries

Experiencing First Month Off the Rolls Due to Work, 2002–2006) in “Time That Beneficiaries Spend Off the Rolls Due to Work and the Payments Generated for Employment Networks (ENs),” Fifth TTW evaluation Report (December 2010).



Source: Ticket Research File (TRF) 2007. Based on data from Exhibits A.1. and A.3 in “Time That Beneficiaries Spend Off the Rolls Due to Work and the Payments Generated for Employment Networks (ENs),” Final Report (December 2010).

<sup>4</sup> For example, the graph shows that in the 48 months after their initial suspension, beneficiaries had spent 60% of those months in suspense or termination due to work. This means 60% spent all succeeding months after their initial month in suspension/termination and 40% spent no succeeding months in suspension/termination, all beneficiaries had a mix of 19 months on benefits and 29 months in suspension/termination, or some mix of these two scenarios.

<sup>5</sup> It is important to note that we are not measuring employment directly. Rather we are measuring months off SSA cash benefits following a suspension due to work in which the individual is alive and of working age. We therefore assume such individuals would return to SSA benefits if their loss of employment allowed them to do so.

Mr. BRADY. What do you expect the new numbers to be?

Mr. WEATHERS. I would hope that we could get it up much higher than that.

Mr. BRADY. What do you think it ought to be?

Mr. WEATHERS. I would hope that we could make it work for everybody that is using a ticket. But I think if we could get 50 percent, that would be a pretty good number.

Mr. BRADY. My frustration, this is a great concept. This ought to be working. After 15 years, it isn't. So my frustration is, you know, Mr. Williams talked sincerely about having performance standards clearly lined out. Mr. Bertoni said 15 out of 20 of the employment networks say they don't have it. Clearly there is gaming of this system. It seems to me we need a fresh start on this program. You know, 5 percent, 10 percent, 20 percent just aren't the numbers I think anyone was hoping for when, in a bipartisan way, we put this program together.

Let me ask the panelists, if we could start with a fresh—I don't mean end it—if we could start with a blank page and redesign this, knowing what the technologies are today, knowing what the common disabilities are today, what would you do differently? How would we start with a fresh slate and recreate a program that really did help people get back to sustainable work? Any panelists?

Ms. BATES-HARRIS. I would like to say something. As a representative of the National Disability Rights Network, I feel compelled to remind people that people on Social Security benefits are among the most disabled people in this country, and many of them want to return to work. And unfortunately, as my boss would say, discrimination is our business, and business is good. And sometimes you can get all the perfect services in place, but discrimination is alive and well, and people do not get employed.

Mr. BRADY. I understand.

What do you believe is an acceptable rate? What do you think our goal ought to be? Five percent?

Mr. KREGEL. I would like to answer that directly. The evaluation that Dr. Weathers talks about has identified that currently in this country, there are about 2.6 million SSA beneficiaries who indicate that they would like to work, and they see themselves working in the foreseeable future.

Mr. BRADY. How many, Doctor—

Mr. KREGEL. 2.6 million.

Mr. BRADY [continuing]. Would like to go back to work?

Mr. KREGEL. Would like to go back to work, and who have either worked during the past year or have taken action toward working in the past year, such as applied for a job, taken a training course or something like that.

What should the number be? Well, the programs should first focus on those 2.6 million people, and then we can look at other people whose health conditions may improve. And then we move our services toward those individuals as well.

In terms of starting over with the Ticket program, I think that it is important to keep in mind that 12 years have passed, and not only has the situation changed for SSA beneficiaries, but the situation has also changed in terms of how employment services are designed and delivered to people with disabilities generally. And I

think that to start all over, it would be important to incorporate some of the cutting-edge best practices that have been described to you by Mr. Hanophy and described to you in terms of the Walgreens operation. These are the kinds of things—employer partnerships, working in collaboration with public and private enterprises that really need to be included in the redesign of the Ticket program. By incorporating the resources out there, we can get a lot farther along in terms of who we are serving.

The other thing that needs to be done, as Mr. Hanophy pointed out, is to look at people who have been on the rolls for a very short period of time, and that includes transition-age youth. Returning to work for someone who has been on the rolls for 22 years and is now 45 years old is a different challenge than for someone who is 22 years old. We don't want these individuals locked into lifelong dependency on Federal benefits. So targeting the Ticket program to transition-age youth and involving private-public partnerships with business, I think, are the major areas that we can explore in terms of redesigning the program for more effective services.

Mr. BRADY. Well, thank you. Again, this is such an important program. For those who want to go back to work, there has got to be a smarter, better way to do this.

Mr. Chairman, thank you.

Chairman JOHNSON. Thank you.

The gentleman's time has expired. Mrs. Black, you are recognized for 5 minutes.

Mrs. BLACK. Thank you, Mr. Chairman.

And I thank you, panel, for being here today.

Mr. Bertoni, I want to go to what we heard on the audio in reference to the misinformation that is being given by those who should know the correct information. Is it your opinion that we are just not training those who are working in the offices, that they don't know the information? Or how do we get such misinformation being given out?

Mr. BERTONI. I don't know what the extent of training is. I would defer to the SSA on that. I would say that over time, and with the changes to the regulations—basically the regulations, it is a couple key things. Number one, they lowered the bar at which employment networks could be paid, so that made part-time earnings attractive to both ticket holders as well as employment networks. They were trying to entice more individuals on both sides of the equation into the program.

Another thing the regulations did was to make it acceptable for employment networks to directly pay the ticket holders from the Ticket money, so that essentially increased the value of the shared payment model.

And thirdly, it also allowed for those whose medical improvement was expected to participate in the program.

So we have sort of a convergence of folks here who could, in fact, benefit from part-time work and early payments.

So we see this new guidance come out. We see these are allowable things. And the firewall between SSA and the field, the employment networks, is there. And someone has to work through this firewall to communicate even with those changes that are acceptable, what are the ultimate end goals for this program. Yes,

part time should be the start for many. It might be it for many. But certainly if we can get people into part-time work, and for those that can move up to more substantive employment, that should be the end goal, because that is the stated purpose of the program. I am not sure everybody knows that.

Mrs. BLACK. Well, thank you. I think you are right. And obviously, the people that were taking these phone calls did not know that. But you also made mention that you thought they should develop program performance measures. How would you see those performance measures? What would be in those?

Mr. BERTONI. I would hate to be too prescriptive here, because any one that I threw out, the people would come behind me and tell me I had a bad measure.

I guess right now I believe there is one measure for the program. That is the number of ticket holders with an assigned ticket. To me, that is the start. You have found the person. You have given them the ticket. They have assigned it to an employment network.

But the outcome measures are not there. We have outputs, but not outcomes. Really, the number of folks who have moved on, who have transitioned to sustainable, long-term employment that has allowed them to reduce dependency and benefits, part of that should be in the equation when you are evaluating how effective an employment network is.

Mrs. BLACK. And I know I am going to run out of time very quickly here. So, Dr. Weathers, do you agree that this is a good recommendation? And if so, what do you all plan on doing to initiate those kinds of measures that will help to show what kinds of outcomes are there?

Mr. WEATHERS. Bob Williams' office is responsible for putting together a report card, and I think he could say a word or two about what they are doing.

Mr. WILLIAMS. We have, in fact, initiated such benchmarks, including one that will hold ENs responsible for moving some beneficiaries into jobs that pay at least twice the poverty level. It is not enough to get someone off benefits if doing so makes them worse off than they are now.

Mrs. BLACK. Thank you.

Mr. Chairman, if I may ask in writing, Ms. Russell, could you tell us about some of the barriers that you have found in working with the program? I congratulate you for doing what you have done.

And then, Ms. Bates-Harris, you talked about discrimination. And if I could have you in writing tell us a little bit more about where those discrimination factors are and how you think we might overcome those. I appreciate that.

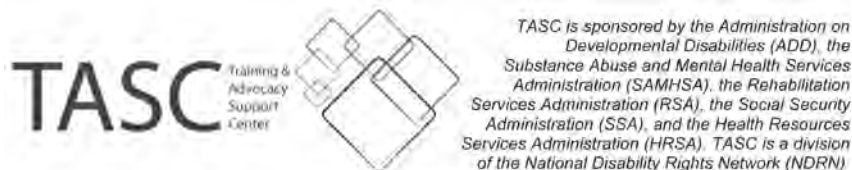
Thank you, Mr. Chairman.

Chairman JOHNSON. You are welcome.

Could you two respond that way, in writing, please? Thank you.  
[The information follows:]

Walgreens entered the Ticket to Work Program in 2007 as an Employment Network during our significant increase of proactively hiring people with disabilities. We entered the program because we hoped it would help strengthen our ongoing initiatives and efforts to be a good inclusive employer. As I stated in my testimony, our requirements for participating were contingent on the administrative burden of the program and weighing the benefits to our workforce. Since Walgreens' initial involvement in the Ticket to Work Program, several new requirements have resulted in the unintended consequence of increased administrative costs to Walgreens, making it challenging to maintain our status as an EN. One example of this is a recent request for IWPs to be accompanied with a summary of the past six months of wages for the ticket holder prior to Ticket assignment. As an employer, we would not have access to that information except in the rare instance that the ticket holder had previously worked for us. The most recent change to our contract with SSA (now a Blanket Purchase Agreement) is another example of additional administrative burden that has made it difficult to maintain our status as an Employment Network. One would assume that these program enhancements are part of the agency's continuous efforts to increase quality control mechanisms for the program. However, since we have a 100 percent employment rate for our ticket holders at wages above Substantial Gainful Activity and the Break Even Point, it seems unnecessary for us.

The good news is that with every potential barrier we have encountered, good communication with leadership at the SSA provided us with a solution to enable us to stay engaged in the program. We are pleased to be able to offer employment opportunities to people with disabilities, especially those who are SSI recipients and SSDI beneficiaries and thank you for your continued support of our efforts.



Response to the Ways and Means  
Social Security Subcommittee and Human Resources Subcommittee  
Hearing on Social Security Work Incentives  
September 23, 2011

The Protection and Advocacy and Client Assistance programs make up the nation's premier disability rights network. Starting in the mid-1970s and proceeding up through today, the United States Congress has had the foresight to recognize that if children and adults with disabilities are going to have their basic civil rights recognized and ultimately upheld, they have to be provided with some assistance. When an adult with a disability has access to effective job training and supports designed to ensure they have the opportunity to find a job with a decent wage and appropriate benefits designed to help them live a stable and secure life as a tax-paying part of the community – it is good public policy. The work of the P&A network embodies that public policy.

P&A/CAP advocates do all they can to ensure that this individual has access to needed services and support to ensure his success in the community workforce so that this individual will not have to live a life of dependency and poverty. But all too often, discrimination and negative stereotypes disrupt the employment of people with disabilities who are either working or want to return to work. This is supported by P&A statistics as well as by the federal agency responsible for enforcing the employment provisions of the ADA. In FY 2010 the Protection and Advocacy Agencies addressed 2,474 allegations of employment discrimination across four of its federal programs. The Protection and Advocacy for Social Security Beneficiaries (PABSS), who assists ONLY individuals who are eligible for Social Security benefits addressed discrimination issues for three hundred and twenty nine (329) individuals receiving benefits and trying to return to work. Discrimination is alive and well in employment. According the EEOC website, they received 25,742 charges of discrimination based on disability in FY 2011, the highest number ever reported to them.

The following examples of discrimination were pulled from the Program performance Reports of Protection and Advocacy agencies. These provide a sampling of the kinds of issues/discrimination confronted by people with disabilities in the workforce.

JM works at Petsmart and was receiving training to be certified as a dog trainer. Due to her neurological problems, she missed trainings and they refused to certify her. When JM brought up her disability, they responded that it didn't matter.

ES is a 27-year-old male diagnosed with Serious Mental Illness. ES has worked for Apollo Group for four years. Since 2006, he has been accommodated through the week

by making up any hours he missed due to his medication and disability. There were no problems for four years, but now he is written up for attendance and tardiness issues. He reminded HR of the accommodations, and they denied knowledge of his disability. When he filed a charge with the EEOC in June he was terminated.

A was employed by The University of Phoenix for four years until he was unlawfully terminated on June 30, 2010. At that time he disclosed his disability to his supervisor and an HR representative in order to request a reasonable accommodation. His accommodations request was denied and was instead offered leave. He was then terminated.

The P&A assisted a 44-year-old American Indian woman who receives SSI and was employed by Family Dollar. She was offered an assistant management position until she disclosed her disability to her supervisor. Following the disclosure, the client was denied the promotion to the assistant manager position was subject to retaliation for filing a complaint.

A 21 year old male with Aspergers and Tourettes was hired by the City as a Library Page. He was successfully employed with the help of a Job Coach when a Supervisor suggested he should work as a janitor instead. The Client was happy with his work and wanted to remain in the same position.

Client contacted P&A because his employer had been requiring employees with disabilities to use a segregated bathroom for more than five (5) months. When the client voiced objections, he was "written up".

The P&A represented a blind aircraft maintenance technician who had worked at the company for several years without incident. When a news story included the fact that this blind employee worked there, the company began treating the technician differently. He was denied reasonable accommodations without the employer engaging in the interactive process and adverse employment actions were taken against him. He was also harassed on the job. Eventually he was terminated.

Illinois P&A successfully represented a woman with major depression who was terminated by her employer while on leave for her disability. As a reasonable accommodation, she had asked for additional time beyond the leave she received under the Family and Medical Leave Act. The employer refused to provide the leave, and also refused to provide accommodations that would have allowed our client to return to work.

A maintenance worker with a local village had his employment terminated after he had a stroke. The employer cited safety concerns as the reason for the termination. No consideration was given to whether or not the individual could perform the essential functions of the job.

The P&A learned that the employment application of a downstate Youth Club had numerous questions that violated the Americans with Disabilities Act. Specifically, the



application asked for dates and specifics regarding hospitalizations and asked generally whether an applicant had any physical or mental impairments, relevant provisions that violate the ADA.

A deaf postal employee sought a promotion to a new department position, but was required to take a test with deficient interpreters and an exam that was not fully accessible. The client failed the test and sought to retake the test without waiting the requisite time period.

A woman with work-related knee injuries and other impairments was employed as a Licensed Practical Nurse alleged that her employer unlawfully terminated her employment based on her disability. Her employer made improper medical inquiries, harassed her based on her disability, failed to provide reasonable accommodations and failed to engage in an interactive process. Furthermore, her employer retaliated against her after she requested reasonable accommodations and filed a charge of discrimination with the Equal Employment Opportunity Commission. Ultimately a confidential settlement resolved the matter.

A 26-year old man with a hearing impairment was denied the use of his hearing aid to take the hearing test required to enter the State Police Academy. The State Police refused to hire him even though he had passed numerous other tests, and despite the ISP policy permitting ISP officers to use hearing aids after they are employed. The client came to the P&A to challenge this policy on the basis that it violates the ADA and the Rehabilitation Act.

A woman who was deaf wanted to be employed by the U.S. Census Bureau. When the woman applied to be a Census worker and indicated a need for an ASL interpreter for the test, she was told to wait while the interpreter request was approved. After not receiving any information, the client called the Census Bureau and was told all the positions had been filled.

PB is a young woman whose primary diagnosis is major depressive disorder, was also diagnosed with narcolepsy. She had worked for years as a laboratory technician at a large hospital. After learning that she had narcolepsy, she requested a schedule adjustment from the hospital as a reasonable accommodation. The requested accommodation would have helped her perform her job better by allowing her to follow a consistent sleep pattern and control the narcolepsy symptoms. The hospital denied the requested accommodation, and shortly afterward terminated PB for frequent late arrivals and absences.

A large chain of department raised production in all its Distribution Centers by 30 percent. It then created an incentive program called the GROW Program. Employees who exceeded the new production levels by 5, 10 or 20 percent in a rolling 4 week period received an extra 27 cents to 2 dollars per hour pay. The requirement to participate in the GROW program was that the employee had to be able to rotate to all areas of the Distribution Center. Mr. S and Mr. W weren't able to do that as both are

persons with a disability and both have lifting restrictions as an accommodation. They have worked there for 11 and 29 years respectively. Human Resources notified both employees that they weren't eligible for the incentive program because of their lifting restrictions, yet they still required both men to meet the new increased production levels. When they exceeded the new levels, they didn't get paid for it. The program was discriminatory and violated the ADA as well as the KY Civil Rights Act. After negotiation, the distribution center changed its policy to include all people in the GROW program, and paid back wages to the clients for the times they'd exceeded production.

A legally blind individual with several years of experience as a dispatcher, applied for a dispatcher position at a local police station. He contacted P&A when the hiring process stalled because he did not have a valid driver's license. He is qualified to do the essential work and as the dispatcher position does not require driving since it is an office position. The human resources person affirmed that she could not move forward on his application due to the driver license requirement.

Mr. H, a deaf individual had worked at a national hamburger chain for over 15 years as a porter. He was not being provided interpreters for staff meetings, trainings, and other in-person meetings with his supervisor. While Mr. H. stated he does the best he can with note writing he is not fluent in written English and expressed that to his employer. Mr. H. alleges his employer told him he is "faking" and he can read English. The requested interpreter continued to be denied.

A 31 year old man with Cerebral Palsy who worked at a fast food restaurant felt that he was not being given additional responsibilities because of his disability. During an arranged meeting, the client was able to show the managers that he could successfully work in the grill area despite his physical limitations. The client was able to expand his job duties, and hopes to someday enter the management training program at the restaurant after gaining a little more experience.

The P&A negotiated a reasonable accommodation with the employer of a 50-year old man with vision disabilities and diabetes. The employer had prohibited the client from keeping personal items such as his cane and diabetes medications at his workstation, citing workplace safety rules.

P&A successfully negotiated a settlement for a woman who was not hired because of her disabilities. The client, a 49-year-old woman with fibromyalgia and degenerative disk disease, applied for a job as a cashier at a grocery store. When she went in for an interview, the store manager asked her about her disability stating he hadn't hired anyone with a disability for years because they had problems once. The woman was not hired, but two individuals with less experience than her were hired.

A 23-year-old woman with mental illness contacted the P&A after she was terminated from her job with a large, national retail store. The client had just started working as a cashier when she had to be admitted to a crisis unit and thereafter a psychiatric hospital. While hospitalized, the client apprised her employer of her medical status and

requested reasonable leave to obtain mental health treatment. When the client was cleared to return to work and attempted to do so, store managers refused to look at her medical documentation and told her that she was terminated because she was "not reliable" and she needs to be there "100% of the time."

After 20 years at a phone company, and 6 years as an assistant in the dispatcher department, an individual with anxiety, depression, and a learning disability got involuntarily reassigned to a new job as a dispatcher, a job the client was unable to perform because of his disabilities. Due to the client's seniority at the company, he should have been allowed to change to a different position. Instead the company forced him to go out on disability leave and failed to work with him to get him back to work.

"Rosa" worked for a health insurance company as an appeal and grievance coordinator. She took a medical leave of absence because of depression, and contacted P&A when told her by her employer that they would not hold her position for more than 30 days. The P&A provided information and assistance on leave as an accommodation and discussed other alternatives including working part-time and requesting a transfer to vacant position.

An individual with a visual impairment contacted P&A because the City of Detroit did not want to purchase software for her computer. The client eventually left the position because the city was delaying the purchase and she was unable to do her job. The P&A helped the client to file a complaint with the Michigan Department of Civil Rights. The client received a settlement based on the city not providing accommodations.

P&A assisted a 52-year-old female special education instructor diagnosed and treated for cancer. She received SSA benefits and was attempting to regain employment at her school. The client felt the school district was reluctant to rehire her based on her disability. After meeting with the P&A and school superintendent, the client was hired at her same salary. But the school refused to allow time off for weekly chemotherapy treatments.

Native American P&A continues to represent a Navajo man with a TBI, who receives SSI benefits in a complaint against a tribal program's discrimination based on his disability. When he applied for employment, the manager involved with the hiring process told him that he would only be hired if he submitted to a psychological evaluation.

A 64-year-old with visual impairments contacted the P&A when he was terminated from employment because his employer would not provide him with accessible computer software. The state Division on Civil Rights conducted an investigation and found probable cause of discrimination in his termination. The matter was referred to the Office of Administrative Law for a formal hearing and subsequently, the parties negotiated a settlement.

A 24-year-old resident has Asperger's Syndrome and a communication disability. JC

contacted P&A because he was being harassed and treated differently at work by the managers, due to his disability. He also reported that other employees at his place of employment frequently harassed him during his work.

P&A assisted a former special education student who was working because his immediate supervisor would call him humiliating names. The behavior continued unabated and eventually the young man quit and applied for Unemployment Benefits. The employer contested, claiming it was a voluntary quit but the hearing officer found that the employer had engaged in abusive behavior, and that the young man quit was for compelling reasons with good cause. The hearing officer ordered payment of benefits.

The P&A filed an employment discrimination lawsuit on behalf of a person with profound hearing loss. Ms. S received her double associate degrees in early childhood education and early childhood/special needs. When she applied for a teacher's aide position at a child development center operated by the community college from which she received her degrees and completed her practical skills training, the director of the child development center informed her that she could not be hired because of her disability.

A 48-year-old female with bipolar disorder was in jeopardy of losing her employment. She had been an Assistant Manager at a rural location of a national pharmacy when a psychiatric crisis at work resulted in hospitalization. When she attempted to return to work, the employer required a written statement from her psychiatrist stating that she was cured or that an episode would not happen again at any point in the future. Although her medication changes had resulted in her being better able to control her symptoms, there was no way her doctor could supply such a written statement. Her employer stated that the company's legal department was insisting on this statement or her employment would be terminated.

The P&A represented a man who had been terminated from his job while he was in the process of being treated for depression. When negotiations with the client's employer failed to bring about a reinstatement of his job, the P&A filed a complaint with the State's Equal Rights Division on his behalf resulting in a favorable financial settlement to the client.

If you have any questions on these, or other work done by the Protection and Advocacy Agency please feel free to contact me directly.

Respectfully,

Cheryl Bates-Harris  
Senior disability Advocacy Specialist  
National Disability Rights Network

Chairman JOHNSON. Mr. Stark, you are recognized.

Mr. STARK. Thank you. Thank you, Mr. Chairman. Thank you for this hearing. And I thank the witnesses for enlightening us.

I must take this opportunity to thank SSA, and in particular their San Jose office, which services our office nearby for the numerous inquiries we get. We just get wonderful service from them. And I am afraid they are going to need help. The number of inquiries is growing. The number of the elderly people is growing. And the money to fund that growth in service has got to come from somewhere. I don't think there is an SSA fairy that is going to sprinkle that dust on you and allow you to hire the people or pay them for overtime. So as we see more people with more severe health problems, I hope that we can find the additional funding to let you continue to provide that good service.

I want to make sure that you have cleared your phone messages with the PATRIOT Act. And I didn't notice that you had inquired about the offers for half-price Viagra that Sam and I keep getting. And are those legitimate offers or not? If you could look into that for us, and we would appreciate it very much.

The one question that I wanted to direct to Ms. Bates-Harris is the question of the disregards. We have disregards for beneficiaries' income in determining their eligibility. And it is my understanding that those were set about the time that I came to Congress. And the average benefit was under \$500, and SSI benefits were reduced for income that exceeded \$65 a month, and if a recipient earned as little as \$20 a month from any source, the disregards came into effect. Do you think that it is time that we have a modest change in that and bring those disregards from the seventies up to standards of today, that that would just be a fair and proper thing to do?

Ms. BATES-HARRIS. Absolutely, positively. The \$20 general income disregard and the \$65 earned income disregard have remained static, and, in fact, people have basically lost money on that with the cost of inflation. So we really believe that they should be indexed and increased just the same as how the SGA and the other factors in the Social Security program are indexed.

Mr. STARK. Thank you.

I want to thank all of you for your work in this area. It is important to our seniors, to our people with disabilities, and that is a growing population. Thank you for your service. Thank you for your testimony today.

Chairman JOHNSON. Thank you, Mr. Stark.

Mr. Reed, you are recognized for 5 minutes.

Mr. REED. Thank you, Mr. Chairman.

Maybe it is because I was up late last night and then I had to listen to that. That angers me. That angers me, that tape, and it angers me on multiple levels. But most importantly it angers me because there is a good mission that you are trying to accomplish with these programs and with SSA and the disabled Americans across the country. And we applaud that. I support that. I don't think you are going to get any opposition up here on both sides of the aisle from that mission. But when you hear stuff like that and the people that are abusing the system at the cost of the true people that are disabled and doing the right thing day in and day out,

I want to know, what is the result of that? Are those two individuals that were taped, are they still involved in this process? Have they been terminated, out of this program? Yes or no?

Mr. WILLIAMS. Yes.

Mr. REED. Excellent. And I hope that continues, because that oversight needs to be done because that type of behavior needs to end.

Mr. WILLIAMS. It will.

Mr. REED. What I would like to ask—and I am also getting a little tired of the mantra of, we need more funding in order to accomplish the mission. The harsh reality of our country and our fiscal resources are we don't have the funding. I would love to be able to give you all the funding you needed, but I think the harsh reality of our world today and our Nation today is that we don't have those unlimited pots any longer.

So I am looking to you, Dr. Weathers and Mr. Williams, to tell me, what is your plan to deal with the reality of the situation where more funding is just not going to be on the table? When I ran my businesses, and I hit hard times, I had to make tough choices. I had to reprioritize my mission and my goals. I had to re-allocate employees to areas that were critical objectives of my business in order to accomplish the mission. Do you have that plan in place?

Mr. WEATHERS. We recognize these are lean times. Commissioner Astrue has said that we are going to have to make difficult choices about service delivery. Mr. Williams and I aren't involved in our day-to-day operations and budget process, but we would be happy to submit to the record more information on your question.

Mr. REED. I would appreciate that. And also, what that new mission plan or that business plan, if you would, for SSA going forward in the reality of these times would be.

[The information follows:]

Our FY 2011 administrative expenses appropriation was \$11.4 billion, nearly \$1 billion below the amount that the President requested. Congress also rescinded \$275 million from our Information Technology no-year funds. As a result, we had to make significant cuts.

We considered a range of reductions, including services we could discontinue or postpone to preserve our highest priorities. Instead of cutting equally across the board, we have tried to prioritize activities based on their importance to the American public.

#### Reducing Our Payroll Costs

The most significant expenditure in our budget is the cost of the people we need to handle our work. We could not afford to replace the 3,500 full-time employees we estimated we would lose to attrition in FY 2011. We implemented an agency-wide hiring freeze early in FY 2011, with a limited exception for our hearings offices, because we could not afford to hire, train, and retain new employees. If we receive the same level of funding in FY 2012 as we did in FY 2011, we expect to lose another 4,400 employees for a total loss of 7,900 employees, or approximately 10 percent of our staff, in two years. This significant decrease in staff is occurring at a time when our workloads have increased drastically. Our disability program is the most resource-intensive of our workloads. In FY 2011 alone we estimate that we received about 25 percent more initial disability claims and 40 percent more hearings than we received in FY 2008.

We also have significantly reduced overtime. In addition, beginning August 15, 2011, we closed Social Security field offices to the public 30 minutes early each day. Reducing public hours allows field office employees, who continue to work regular hours, to complete interviews without using overtime. Simply cutting off interviews after a long wait could significantly increase violence against our front-line employees.

#### Reducing Our Real Estate Footprint and Expanding Electronic Services

We cancelled our plans to open a new teleservice center and eight new hearing offices, which would have cost us over \$40 million to operate each year. In addition, we consolidated offices where it made business sense, which will save about \$5 million each year.

Finally, we stopped visiting most field and hearing remote service sites. Employees had to travel to these sites during business hours and often had to re-enter information collected during these visits into our computer systems once they returned to the office. We cannot precisely estimate the value of this change, but it will allow us to handle more claims within our current resources.

To serve our customers in a time of declining budgets and increasing workloads, we have expanded our electronic services:

- We redesigned our online applications to make them easier to use, which has increased the number of retirement and disability claims filed online. In FY 2007, less than 10 percent of retirement and disability applications were filed online. After we introduced our new, user-friendly online iClaim application in December 2008, the number of applications filed

online immediately increased. In FY 2009, the number of claims filed online nearly doubled from FY 2008. In FY 2011 through August, nearly 41 percent of retirement applications and nearly 33 percent disability applications were filed online successfully. Online applications have been vital to helping our offices deal with the sudden influx of new claims. iClaim saves our employees nearly 15 minutes for every retirement claim and over 20 minutes for every disability claim filed online; employees use this time to focus on other more-complex workloads.

We used video conferencing technology to expand our capability to conduct administrative hearings. In June 2011, the Administrative Conference of the United States (ACUS) endorsed the use of video hearings as a best practice to reduce backlogs and adjudicate cases more efficiently. See Administrative Conference of the United States (ACUS), Administrative Conference Recommendation 2011-4, *Agency Use of Video Hearings: best Practices and Possibilities for Expansion*, which recognizes SSA as a leader in the use of video hearings.

#### Reducing Our Mailing Costs

As of March 28, we suspended issuing Social Security Statements. As a result, we saved approximately \$30 million in FY 2011 and will save nearly \$60 million in FY 2012. We do not know how much we will save in future years, but with huge deficits at the Postal Service that may result in more dramatic rate hikes, we might easily be spending \$1 billion in postage for the earning statement if we continued with the status quo.

We also reduced the mailing of, or completely suspended, other lower priority notices. For example, we will mail Ticket to Work notices only to the 20 percent of beneficiaries who are most likely to return to work. As of August 2011, total savings to date for that decision are over \$2 million.

#### Increasing Program Integrity Work

Since FY 2009, we have conducted more than 7.5 million program integrity reviews (Continuing Disability Reviews (CDRs) and redeterminations) with expected 10-year savings of \$19 billion in Social Security, Supplemental Security Income (SSI), Medicare, and Medicaid program dollars.

If we receive the full amount of Budget Control Act authorized funds over the next 10 years (FY 2012-2021), we estimate that we would be able to conduct 34 million reviews and save an estimated total of \$70 billion in program dollars. We will not be able to achieve such savings if the budget forces us to continue a hard staffing freeze on our field operations.

#### Using Technology to Increase Eligibility and Benefit Accuracy in the SSI Program

We recently implemented an automated process to uncover undisclosed financial account assets that affect SSI program eligibility and benefit amounts. Once we fully integrate this process into our benefit payment system and our employees and the financial institutions gain experience

with the process, we plan to increase the number of bank searches. When fully implemented in



FY 2013, we expect \$20 of lifetime program savings for each administrative dollar we spend, or roughly \$900 million in lifetime program savings each year. In order to increase out administrative costs for this program, however, we have had to cut other activities.

We are also piloting a similar program to help us identify undisclosed real property owned by SSI recipients.

Mr. REED. And that gets to my last question. I am hearing, as I read this testimony and hear this testimony and look at the evidence, I feel there is a big issue here of duplication of services. And I know there was a hearing here on this Subcommittee before looking at the benefits planning services or grants to community organizations, work incentives planning, protection advocacy for beneficiaries of Social Security, the laundry list of programs that are out there. Is that an example of efficiency? Would anyone like to—

Mr. WILLIAMS. Yes. Both the WIPA and the Protection and Advocacy programs serve distinct functions. One focuses on providing information and assistance on using our complex work incentives, and the other on legal assistance. Whether there are efficiencies to be had by a better cooperation and coordination. In that area we would be glad to explore.

Mr. REED. I would be glad to be a partner in that effort.

With that, I yield back, Chairman.

Chairman JOHNSON. Thank you.

Mr. Paulsen, you are recognized for 5 minutes.

Mr. PAULSEN. Thank you, Mr. Chairman, also for holding this hearing and for all the witnesses being here.

Let me switch gears a little bit. Dr. Kregel, the Social Security inspector general was rather critical of WIPAs in their recent report for not having adequate performance measures. And when reviewing the data provided on all WIPAs, there are a lot of process measures that are in there. How quickly was the beneficiary contacted? Were they informed about possible options, et cetera?

But what there aren't so much in there are these outcome measures or performance measures, like did the beneficiary attempt to return to work or actually return to work? Isn't that what this is all about? If you go back to maybe what Mr. Brady was asking about earlier, about how would you redesign this with a blank piece of paper, et cetera, tell us a little bit about that. How much does the WIPA program cost to date? How many people have obtained work as a result of it, and how would we redesign it and look on those performance measures?

Mr. KREGEL. The WIPA program costs \$23 million per year to fund the 102 projects, including the Minnesota Work Incentive Connection, which is really recognized as one of the top programs in the country. They estimate that they save \$1.7 million per year as a result of the \$300,000 funding level that they receive to do their ongoing work.

But you are absolutely right. Performance measures to date have focused on the process, what are we doing. And outcome measures really need to be the focus of what we look at going forward, particularly in light of whether or not this program should be continued for an extended period of time. This would include whether individuals are working at a level that would result in reduced benefits, or working at a level that would result in terminated benefits? Are they working at all? Or do they have access to the health insurance so that they continue to meet their complex health care needs?

But also there needs to be savings, return on investment from the moneys that are invested in the WIPA program or any of the

other programs. That would be increasing the number of individuals exiting the rolls, reduction in the cost of disability payments, reduction in the cost of public health care benefits and reduction in the number and amount of benefit overpayments, something that hasn't been talked about today, but another area where the WIPA program and several of these other programs can make a huge difference looking at the billion-dollar problem that exists in the area of overpayments today.

Mr. PAULSEN. Why are not some of these standard measures when reviewing WIPA in general? For that matter, for any of these work incentives?

Mr. KREGEL. I think that the focus has been, as these programs have evolved, to look at how effective is the process, with the assumption that the process will lead to the outcomes. But now these are more mature programs. There is information that exists, for example, that says that the WIPA program will generate a 3-for-1 return on investment if you look at the resources that are devoted to this effort and the savings in benefits payments and that type of thing. But this has only been done with very recent information and it really needs to be looked at on a broad scale to make sure that we are not paying for an outcome that might have occurred anyway, given the nature of the situation.

So these things are long overdue, and I know that these benchmarks are being established by SSA, and they are looking at that going forward.

Mr. PAULSEN. Dr. Weathers or Mr. Williams, can you follow up on that a little bit?

Mr. WEATHERS. I can follow up.

We are going to be releasing a report on the WIPAs looking at the outcomes of the beneficiaries that they serve within the next few weeks. We just received the final report last week, and we are reviewing it, and we are happy to submit it for the record. But I do think that it shows some positive outcomes in terms of employment for beneficiaries who are served by the WIPA organizations.

[The information follows:]



**Employment- Related Outcomes  
of a Recent Cohort of Work  
Incentives Planning and  
Assistance (WIPA) Program  
Enrollees**

Final Report

September 19, 2011

Gina Livermore  
Sarah Prenovitz  
Jody Schimmel

**MATHEMATICA**  
**Policy Research**

Center for  
**STUDYING**  
**DISABILITY POLICY**



Contract Number:  
0600-03-60130

Mathematica Reference Number:  
08977.966

Submitted to:  
Social Security Administration  
Office of Retirement and Disability Policy  
500 E Street SW, 9th Floor  
Washington, DC 20254  
Project Officer: Paul O'Leary

Submitted by:  
Mathematica Policy Research  
600 Maryland Avenue, SW  
Suite 550  
Washington, DC 20024-2512  
Telephone: (202) 484-9220  
Facsimile: (202) 863-1763  
Project Director: Gina Livermore

**Employment- Related Outcomes  
of a Recent Cohort of Work  
Incentives Planning and  
Assistance (WIPA) Program  
Enrollees**

Final Report

September 19, 2011

Gina Livermore  
Sara Prenovitz  
Jody Schimmel

**MATHEMATICA**  
**Policy Research**

#### ACKNOWLEDGMENTS

This report reflects the combined efforts of many people, including our Social Security Administration (SSA) project officer, Paul O'Leary. He and Elaine Gilby at SSA provided intellectual leadership and guidance in developing the analysis plan for this report. We are also grateful for Paul's instrumental role in conducting the earnings analyses presented in this report.

At Mathematica, Allison Roche helped us obtain access to the WIPA data and constructed the variables based on those data used in the analysis. Dawn Phelps developed the programming for and facilitated the analysis of the earnings data. David Stapleton provided useful comments on the analysis plan and on an early draft of the report. Sharon Clark led the production effort. We greatly appreciate the efforts of Miriam Loewenberg and Dawn Phelps, who developed an abbreviated version of the 2010 Ticket Research File on an extremely expedited schedule, and without which this report would not have been possible.

The opinions, conclusions, and any errors in this report are the sole responsibility of the authors and do not reflect the official views of SSA or Mathematica.

## CONTENTS

ABSTRACT .....	ix
ACRONYMS .....	xi
I INTRODUCTION .....	1
II BACKGROUND .....	3
A. WIPA Program Features .....	3
B. Previous WIPA Program Evaluations .....	4
III DATA AND SAMPLE CHARACTERISTICS .....	7
IV WIPA SERVICE USE .....	15
A. WIPA Services Tracked in ETO .....	15
B. Service Use Among WIPA Enrollees Through December 2010 .....	17
V USE OF SSA WORK SUPPORTS .....	21
A. SSA Work Supports .....	21
B. Descriptive Statistics .....	22
C. Multivariate Analyses .....	26
VI EMPLOYMENT AND EARNINGS .....	31
A. Descriptive Statistics .....	31
B. Multivariate Analyses .....	36
1. Likelihood of Earnings in 2010 .....	36
2. Changes in Earnings 2009-2010 .....	37
VII BENEFIT REDUCTIONS AND CESSATIONS DUE TO WORK .....	41
A. Descriptive Statistics .....	41
1. Benefits Forgone for Work .....	41
2. Benefit Suspension or Termination Due to Work .....	44
B. Multivariate Analyses .....	48
VIII CONCLUSIONS .....	51
REFERENCES .....	53

APPENDIX A:	VARIABLES USED IN THE MULTIVARIATE ANALYSES .....	A-1
APPENDIX B:	MULTIVARIATE MODELS OF THE USE OF SSA WORK SUPPORTS .....	B-1
APPENDIX C:	MULTIVARIATE MODELS OF EMPLOYMENT AND EARNINGS .....	C-1
APPENDIX D:	MULTIVARIATE MODELS OF BENEFIT SUSPENSION OR TERMINATION DUE TO WORK .....	D-1



## TABLES

III.1	Sample Sizes .....	9
III.2	Sample Characteristics at WIPA Program Entry (by percent unless otherwise noted).....	10
IV.1	WIPA Service Use as of December 31, 2010.....	18
V.1	Selected DI and SSI Work Supports .....	23
V.2	Use of SSA Work Supports.....	24
VI.1	Percentage with Earnings, Average Earnings, and Earnings Above SGA in 2010, by Selected Characteristics .....	32
VI.2	Employment and Earnings in 2009 and 2010 .....	34
VI.3	Employment and Earnings of Those with Employment Goals Who Entered WIPA in 2009 .....	35
VII.1	SSA Benefit Reductions Because of Earnings During the Nine Months Following WIPA Program Entry .....	43
VII.2	Percent with NSTW at Least One Month After WIPA Entry Through December 2010 .....	45
VII.3	NSTW Months During the Nine Months Following WIPA Program Entry.....	46

### ABSTRACT

In this report, we present findings of an analysis of beneficiaries who first enrolled for Work Incentives Planning and Assistance (WIPA) services between October 1, 2009, and March 31, 2010. We use data on users collected by the individual WIPA programs matched to Social Security Administration (SSA) records to analyze the services they received, their use of SSA work supports, employment, earnings, benefit reductions due to earnings, and the likelihood that they left the disability rolls during the period following WIPA program entry and the end of December 2010.

We find that the majority (about 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. More than half (55 percent) of these beneficiaries had earnings at some point during the nine to 15 months following service entry, and 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. With other characteristics held constant, receipt of more-intensive WIPA services (as measured by hours of service) is significantly associated with a greater likelihood of (1) using all of the SSA work supports examined, (2) having earnings in 2010 and experiencing an increase in earnings between 2009 and 2010, and (3) having SSA benefits suspended or terminated because of earnings during at least one month between WIPA program entry and the end of December 2010. Counselor discussion of particular work supports and selected employment-related suggestions were significantly associated with an increased likelihood of using the trial work period and with having plans for achieving self-support, as well as with earnings increases between 2009 and 2010 and higher rates of benefit cessation, after holding other personal characteristics constant.

The findings suggest that the WIPA program is serving a select group of beneficiaries who are actively working, seeking employment, using the SSA work incentive provisions, and leaving the disability rolls at relatively high rates. The findings also suggest that WIPA services might be positively affecting some of these employment outcomes. However, it is important to bear in mind that the significant relationships between receipt of WIPA services and positive employment outcomes do not necessarily mean that WIPA services caused the observed changes in work support use, employment, and benefit reductions.

This is the second in a series of reports that make up the seventh Ticket to Work evaluation report.

## ACRONYMS

BFFW	Benefits Forgone for Work
BPAO	Benefits Planning Assistance and Outreach
CWIC	Community Work Incentives Coordinator
DAC	Disabled Adult Child
DI	Social Security Disability Insurance (Title II of the Social Security Act)
EPE	Extended Period of Eligibility
ETO	Efforts to Outcomes
I&R	Information and Referral
IRS	Internal Revenue Service
IRWE	Impairment Related Work Expenses
MEF	Master Earnings File
NSTW	Nonpayment Status Following a Suspension or Termination Because of Work
PASS	Plan for Achieving Self Support
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income (Title XVI of the Social Security Act)
SSN	Social Security Number
TRF	Ticket Research File
TTW	Ticket to Work
TWP	Trial Work Period
VIF	Variance Inflation Factor
WIPA	Work Incentives Planning and Assistance

## I. INTRODUCTION

Individuals with disabilities who want to work face many barriers to doing so, among them poor health; lack of education or experience necessary for their desired position; lack of supports to assist them with employment, such as reliable transportation or personal assistance services; and labor market factors, such as lack of suitable local positions or discrimination. Individuals with disabilities who are beneficiaries of Social Security Disability Insurance (DI) or Supplemental Security Income (SSI) face additional challenges to employment, as they must navigate a complex system of program rules and disincentives to work. Because the DI and SSI programs provide support to those unable to engage in substantial gainful activity (SGA) in the labor market, many SSI and DI beneficiaries fear that working will jeopardize their benefits. Some are unaware of program features that will assist them in their employment attempts.

Despite significant barriers to employment, many with disabilities want to engage meaningfully in the labor market. Among working-age DI and SSI beneficiaries, 40 percent report having an employment goal or an expectation that they will work in the near future; just over half of these employment-oriented beneficiaries have participated in recent employment-related activities (Livermore et al. 2009a).

Recognizing beneficiaries' desire to work and some of the disincentives to employment implicit in the DI and SSI programs, the Social Security Administration (SSA) has implemented a set of work support programs and benefit eligibility provisions related to employment. Most recently, several were implemented as part of the Ticket to Work and Work Incentives Improvement Act (Ticket Act) of 1999. The goal of the Ticket Act and its programs is to assist beneficiaries to achieve their employment goals and, ultimately, increase their self-sufficiency and reduce their dependence on federal disability benefits.

The Work Incentives Planning and Assistance (WIPA) program is one of the programs to emerge out of the Ticket Act. Its purpose is to provide information and assistance to DI and SSI beneficiaries regarding the work incentive programs, benefits, and services available to them in their employment efforts. This report explores the outcomes of a recent cohort of WIPA enrollees, building on a previous report that examined the personal and WIPA service use characteristics of the same cohort of SSI and DI beneficiaries who entered WIPA services between October 1, 2009, and March 31, 2010 (Schimmel et al. 2010). Here, we examine the use of SSA work incentive provisions and the employment and earnings of these individuals, following their outcomes through December 2010.

The remaining chapters of this report are organized as follows. Chapter II provides background on the WIPA program and briefly describes previous efforts to evaluate the program. Chapter III describes the data and sample of WIPA enrollees analyzed in this report. Chapter IV briefly describes the WIPA services these WIPA enrollees received through December 2010. Chapter V examines the extent to which the enrollees used SSA work supports, and looks for evidence that the WIPA program promotes and facilitates the use of those supports. Chapter VI provides information about the employment and earnings of WIPA enrollees during 2009 and 2010 and examines the relationship between WIPA services and changes in earnings. Chapter VII analyzes SSA benefit reductions due to work and looks at the relationship between WIPA services and the likelihood that WIPA enrollees leave SSA benefits because of earnings. Chapter VIII concludes with a summary and discussion of key findings.

## II. BACKGROUND

In this chapter, we provide a brief description of the WIPA program and the previous evaluations of the program.

### A. WIPA Program Features

The WIPA program grew out of the Benefits Planning, Assistance, and Outreach (BPAO) program, established through the Ticket Act to fund community organizations to provide accurate information about the benefits and work incentives available to DI and SSI beneficiaries. After six years of the BPAO program, evidence of its success was mixed. While the program was serving a range of beneficiaries who generally rated the program highly (O'Day et al. 2009) and who had very high rates of employment and of leaving the disability benefits rolls because of earnings (Livermore and Prenovitz 2010), some evidence showed that the program may have been less successful in achieving the Ticket Act's goals of increasing employment and decreasing reliance on benefits than initially envisioned (O'Day et al. 2009). For example, rates of referrals to employment support providers were low, as was the use of work incentives (Peikes et al. 2005). Also, there was concern that counseling about work incentives and benefits was leading some beneficiaries to keep their earnings low in an attempt to maximize their benefits, in direct opposition to program goals.

To address the limitations of the BPAO program, SSA changed its focus and renamed it the WIPA program in 2006, making it clear that the purpose of the program was to promote employment. Training materials provided to the organizations ultimately selected as WIPA projects indicated that "[t]he primary objective of the WIPA initiative is to assist SSA beneficiaries with transitioning from dependence on public benefits to paid employment and greater economic self-sufficiency. This represents a paradigm shift in which CWICs [community work incentives coordinators] form an integral part of the vocational services system instead of merely providing a peripheral benefits counseling service" (Virginia Commonwealth University 2010).

WIPA projects are to deliver four categories of services: (1) work incentives planning, including written documentation for beneficiaries "outlining their employment options and develop[ing] long-term supports that may be needed to ensure a beneficiary's success in regards to employment"; (2) assistance with the use of SSA work supports; (3) work incentives education, marketing, and recruitment of beneficiaries; and (4) outreach services (SSA 2006). In addition to specifying the services to be provided, SSA strongly emphasized that WIPA projects should sustain relationships with beneficiary clients. The solicitation for WIPA cooperative agreements (SSA 2006) noted that work incentives assistance should be "ongoing and comprehensive" and that long-term work incentives management should occur "on a scheduled, continuous basis, allowing for the planning and provision of supports and regular checkpoints, as well as critical transition points in a beneficiary's receipt of benefits, improvement of medical condition, work attempts, training, and employment."

WIPA projects divide the one-on-one services they provide to beneficiaries into two types: (1) information and referral (I&R) services and (2) WIPA services. All beneficiaries who contact a WIPA project are "enrolled" to receive basic I&R services from WIPA projects. Those with fairly simple or generic questions about benefits or work supports receive I&R in one or two brief sessions. Those who need more individualized, in-depth services are dismissed from I&R and enrolled to receive WIPA services ("WIPA enrollees"), including the planning and assistance described above. WIPA programs are staffed by CWICs who are expected to engage in an intensive

intake process to gather specific information about their clients and the benefits they receive. Once this intake process is complete, CWICs are expected to provide assistance to WIPA enrollees to help them access the benefits, work incentives, and services needed to progress toward their employment objectives.<sup>1</sup> SSA's expectation is that 80 percent of WIPA project resources will be devoted to the provision of WIPA services, with the remaining 20 percent devoted to I&R and outreach activities.

During the period of our analysis, SSA funded 103 WIPA projects through cooperative agreements, 82 percent of which were previously BPAO projects. A variety of organizations throughout the country operate as WIPA projects, including disability service organizations that provide employment supports, such as United Cerebral Palsy, Easter Seals, and Goodwill Industries; centers for independent living; state vocational rehabilitation and other state agencies; and organizations offering legal assistance. Total annual funding for the WIPA program is \$23 million, with \$19.4 million allocated across WIPA projects and the remainder allocated to the National Training Center at Virginia Commonwealth University, site visits by SSA project officers to WIPA projects, and administrative costs of operating the WIPA program. Funding for each WIPA project is determined using a formula based upon the number of SSI and DI beneficiaries in the zip codes or counties served by each WIPA project. The formula for funding has a minimum amount of \$100,000 and a maximum of \$300,000, meaning that there is variation across projects but perhaps not as large a variation as there is in the number of beneficiaries within each service area.

## B. Previous WIPA Program Evaluations

SSA has funded two previous evaluations of the WIPA program. This report and the two previous evaluation reports were developed independently of the WIPA program as part of a broader evaluation of the Ticket to Work program. The first report was a process evaluation that explored the early experiences of the WIPA program as it was implemented (O'Day et al. 2009). It concluded that the projects were implemented as intended by SSA and that even though the majority of WIPA projects were previously funded under BPAO, staff seemed to understand the shift toward a focus on longer-term interactions with clients and an emphasis on increased earnings and self-sufficiency.

The second WIPA program evaluation report (Schimmel et al. 2010) assessed the activities and outputs of the program using data collected through the online data reporting system used by WIPA projects and described in more detail in Chapter IV. A primary purpose of that evaluation was to quantify the number of beneficiaries being served by the WIPA program from October 1, 2009, to March 31, 2010, and to understand their characteristics and service needs and the ways in which the WIPA program assisted WIPA enrollees in achieving their goals. A similar evaluation is ongoing (Schimmel et al. 2011) and will consider the same questions using beneficiaries who first contacted the WIPA program from April 1, 2010, to March 31, 2011, the year following the previous cohort.

The 2010 WIPA evaluation concluded that WIPA projects are targeting services to the beneficiaries most interested in employment, and that CWICs often suggest to WIPA enrollees who are not already doing so at the time of their baseline assessment that they should take advantage of available employment services and supports. While there is no established guideline for the regularity of ongoing contact with WIPA enrollees, the previous evaluation concluded that the level of support

<sup>1</sup> A detailed description of the services provided by CWICs is contained in Chapter I of Schimmel et al. (2010).

provided beyond the baseline WIPA assessment—about three contacts, usually within three months after first contacting the WIPA project—may be neither sufficient nor consistent with the intent of the WIPA program. Nonetheless, when those additional contacts did occur, CWICs continued to emphasize work incentives and other supports that could assist beneficiaries in meeting their employment goals, consistent with the intent of the WIPA program.

The previous evaluation relied exclusively on data collected by CWICs and therefore was not able to explore the extent to which services provided by the WIPA program are associated with increased use of SSA work supports, employment, and reduced reliance on disability benefits. The purpose of this report is to fill in that gap by linking data collected by WIPA projects to SSA administrative records and Internal Revenue Service (IRS) earnings data. By linking to SSA administrative files, we are able to determine whether beneficiaries used SSA work supports and how such use is related to the suggestions offered by the CWIC. We also are able to discern whether the receipt of certain suggestions from the CWIC is associated with employment, earnings, and benefit reductions due to earnings. We cannot, however, determine the effect of WIPA services on outcomes, as we do not know what the outcomes would have been in the absence of the services.

### III. DATA AND SAMPLE CHARACTERISTICS

The analyses presented in this report use information from the WIPA Efforts to Outcomes (ETO) data collection system to identify SSI and DI beneficiaries who enrolled in WIPA services with entry dates from October 1, 2009, through March 31, 2010. Individuals entering WIPA services during this period represent a recent cohort of WIPA service users. Detailed information about the characteristics and early service use of this cohort was presented in the previous WIPA program evaluation report (Schimmel et al. 2010).

For this report, we matched the WIPA ETO data to two administrative data sources to examine the use of SSA work supports, employment, and earnings of the WIPA cohort. These administrative data sources include:

- **An abbreviated version of SSA's 2010 Ticket Research File (TRF10).** The annual TRFs are made up of data extracts from a number of SSA administrative data files and contain a record for all individuals age 10 to full retirement who have participated in the SSI and DI programs since 1996. Each year since 2004, SSA has sponsored an annual update of the TRF. Because the planned update for 2010 would not be prepared in time to complete this evaluation report by September 2011,<sup>2</sup> SSA sponsored the development of an abbreviated version of the TRF10 so that SSA administrative data through December 2010 could be used for purposes of the WIPA and Ticket to Work (TTW) program evaluations. The abbreviated TRF10 only contains records for beneficiaries who had ever participated in the WIPA or TTW programs as of March 2011, and all beneficiaries who responded to the fourth round of the National Beneficiary Survey fielded in 2010.
- **Annual Internal Revenue Service (IRS) earnings records for 2009 and 2010.**<sup>3</sup> The employment and earnings data presented in Chapter VI of this report come from SSA's Master Earnings File (MEF), which contains wage and salary items from the employer-filed W-2 form and information on other earnings not subject to FICA taxes.<sup>4</sup>

Four criteria were used to select the sample of beneficiaries analyzed in this report: (1) a WIPA service entry date occurring between October 1, 2009, and March 31, 2010; (2) enrollment into

<sup>2</sup> SSA wanted this report to be available in time to inform the congressional reauthorization of the WIPA program.

<sup>3</sup> Because access to the IRS data is restricted, the IRS-WIPA ETO record linkage and earnings data analyses presented in this report were performed by SSA staff.

<sup>4</sup> The primary source of information for the MEF is the W-2 form sent directly to SSA. W-2 forms arrive at SSA continuously and the MEF is updated with new W-2 information on a weekly basis. The unposted detail segment contains detailed non-FICA-related earnings (earnings not subject to FICA tax), such as deferred Medicare earnings, self-employment earnings, and earnings paid into retirement plans. We used the largest value of the following three sums: 1) total compensation (W2\_BOX1\_WTOTCMP) + deferred compensation (W2\_DEF\_COMP) + Medicare self employment (SEL\_MED) + deferred payment (PAYMENT\_457); 2) Social Security taxable wages (W2\_BOX3\_WGFI\_FICA) + self employment Social Security taxable earnings (SEL\_FICA); 3) Medicare taxable wages (W2\_BOX5\_WAGFI\_MED) + Medicare taxable self employment (SEL\_MED). The detailed earnings record includes multiple employers per year; for the analysis, these are summed to obtain total wages per year and total self-employment per year. These total annual wage and self-employment values are then summed to obtain total earnings for the year.



WIPA services during that period;<sup>5</sup> (3) sufficiently accurate Social Security Number (SSN) and other identifying information recorded in the WIPA ETO database to permit the SSN to be validated and matched to the abbreviated TRF10;<sup>6</sup> and (4) based on information in the TRF10, the individual was participating in the SSI or DI program during the month of WIPA program entry.<sup>7</sup>

Table III.1 shows the sample sizes and characteristics for the full sample of WIPA enrollees with entry dates between October 2009 and March 2010, and for those meeting the additional sample selection criteria. Of the 12,610 WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, 11,532 (91.5 percent) had accurate SSN and other identifying information in ETO that permitted a match to the abbreviated TRF10, and 11,277 (89.4 percent) of these were beneficiaries during the month of WIPA service entry, as recorded in the TRF10.<sup>8</sup>

Table III.1 also shows the sample sizes for several subgroups defined by their employment status at intake into the WIPA program, and the employment-related goals recorded during the WIPA baseline assessment.<sup>9</sup> Because we expect the use of work supports and employment outcomes to differ by employment status at entry and by the nature of the employment-related goals, we present statistics for these subgroups in selected analyses presented in later chapters, and so note the sample sizes for these groups here. The distribution of beneficiaries across the employment status and goal categories do not differ substantially between the full sample and the sample matched to the TRF10 used for the analyses presented in this report.

As might be expected, a large share of the analysis sample (28.5 percent) were working when they entered WIPA services and many more were looking for work or had a job offer pending (44.2 percent). The majority of WIPA enrollees in our analysis sample (68 percent) indicated having an employment goal, and about one-fifth (21.7 percent) had an educational goal or were pursuing education. Smaller percentages of WIPA enrollees indicated a desire to earn enough to reduce their SSA benefits (21.6 percent) or to leave benefits entirely (12.8 percent). For a nontrivial share of the sample (26.6 percent), no goals were recorded in ETO. For some of these WIPA enrollees (8 percent of the analysis sample), this is because no baseline assessment was conducted (the point

<sup>5</sup> WIPA clients with entry dates occurring October 2009 through March 2010, but who received only I&R services, were excluded from the sample.

<sup>6</sup> ETO data were matched to the abbreviated TRF10 using the SSNs and other identifying information in ETO. Before SSA allows any external data to be matched to the TRF, the SSNs must be validated as belonging to the person the matched data is intended to represent. The validation process requires the SSN, name, date of birth, and gender information contained in the WIPA ETO records (or other external files to be linked with SSA data) to correspond (within established tolerances) with that contained in SSA's Numident file. Only validated SSNs from the ETO system were matched to the abbreviated TRF10.

<sup>7</sup> To be considered as participating in the DI or SSI programs, a beneficiary need only be in a nontermination status for at least one of the programs.

<sup>8</sup> The 92 percent TRF10 match rate is somewhat lower than expected. The low match rate is due to two factors: poor-quality information for some records in the ETO data system and the manner in which the abbreviated TRF10 was created. The SSNs used for purposes of developing the abbreviated TRF10 were not first validated. During the validation process, some SSNs inaccurately recorded in the ETO system can be corrected based on the name, date of birth, and gender information. Thus, some of the inaccurate SSNs from the ETO system that could have been corrected were not included in the abbreviated TRF10 and so could not be included in the analysis sample.

<sup>9</sup> During the baseline assessment, the CWIC documents the specific benefits, work supports, and services discussed with the beneficiary. See Chapter IV for details.

when the beneficiaries' goals would have been queried). For the others, they either had none of the employment-related goals queried, goals were not discussed during the baseline assessment, or the goals discussed were not recorded in ETO by the CWIC.

**Table III.1. Sample Sizes**

	WIPA Enrollees Entering October 2009 - March 2010 (Full Sample)		TRF10 Match		TRF10 Match and SSI/DI Beneficiary at Entry (Analysis Sample)	
Number	12,610		11,532		11,277	
Percent of Full Sample	100.0		91.5		89.4	
	Number	Percent	Number	Percent	Number	Percent
<b>Employment Status at Intake</b>						
Considering employment	3,096	24.6	2,823	24.5	2,780	24.7
Looking for work/offer pending	5,550	44.0	5,088	44.1	4,990	44.2
Working/self-employed	3,601	28.6	3,316	28.8	3,213	28.5
Unknown	363	2.9	305	2.6	294	2.6
<b>Goals at Baseline Assessment<sup>a</sup></b>						
Employment goal	8,450	67.0	7,819	67.8	7,667	68.0
Education goal or pursuing education	2,674	21.2	2,501	21.7	2,443	21.7
Wants to earn enough to reduce benefits	2,728	21.6	2,469	21.4	2,411	21.4
Wants to earn enough to leave benefits	1,610	12.8	1,461	12.7	1,414	12.5
No goals or no baseline assessment	3,472	27.5	3,079	26.7	2,995	26.6

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010.

<sup>a</sup> Percentages will not sum to 100 across categories because individuals may not have any goals recorded in ETO, or have multiple goals.

In Table III.2, we present selected characteristics of the study sample overall and for subgroups defined by employment status at entry and goals recorded during the baseline assessment. For most of the characteristics shown, beneficiaries did not differ markedly across the groups. In some cases, particular characteristics varied across the groups in expected ways. For example, younger beneficiaries were more likely to have education goals or be pursuing education and less likely to be actively working or pursuing work.

About 50 percent of sample members were DI-only beneficiaries, 25 percent were SSI-only, and 25 percent were concurrent beneficiaries (those receiving both DI and SSI) at WIPA program entry. SSI-only recipients were more likely than others to be considering employment at entry and to have education or benefit reduction or cessation goals at baseline assessment. DI-only beneficiaries were particularly likely to be working at entry and less likely than others to report education goals and benefit reduction or cessation goals.

Table III.2. Sample Characteristics at WIPA Program Entry (by percent unless otherwise noted), Overall and by Subgroups Defined by Employment Status at Entry and Goals at Baseline Assessment

	Employment Status at Entry				Goals at Baseline Assessment			
	All	Considering Employment	Working/Self Employed	Looking for Work/Offer Pending	Has Employment Goal	Has Education Goal or Is Pursuing Education	Has Benefit Reduction or Cessation Goal	No Goals or No Baseline Assessment
Number	11,277	2,780	3,213	4,990	7,667	2,443	2,512	2,995
Percent of Sample	100.0	24.7	28.5	44.2	68.0	21.7	22.3	26.6
Program								
SSI-only	24.9	31.3	21.4	24.0	23.4	34.4	34.4	23.8
Concurrent	25.2	25.0	24.6	26.0	25.8	27.0	29.7	24.4
DI-only	49.9	43.7	53.9	50.0	50.8	38.6	35.9	51.8
Male	51.2	52.3	48.8	52.0	50.5	49.7	52.5	51.7
Age								
Less than 25	14.5	21.0	13.3	12.2	13.4	26.4	18.1	12.7
25 to 29	8.3	7.2	8.7	8.9	8.4	9.3	9.8	8.0
30 to 34	7.6	7.2	8.1	7.7	8.1	7.6	8.6	7.0
35 to 39	9.3	8.2	9.8	9.6	9.6	10.1	10.7	8.7
40 to 44	11.5	10.5	12.1	11.8	12.2	10.9	12.1	10.3
45 to 54	29.8	26.9	28.7	31.7	29.8	24.2	26.8	31.6
55 and over	18.9	18.8	19.3	18.1	18.5	11.5	13.9	21.7
Mean age (years)	42.3	40.7	42.5	42.7	42.4	37.6	40.0	43.5
Education								
Less than high school	8.4	8.0	8.6	9.0	9.1	12.7	8.2	6.4
High school or equivalent	27.8	22.6	31.3	30.0	29.9	22.1	32.9	24.2
More than high school	27.6	23.8	29.2	30.3	31.6	36.5	32.2	18.5
Unknown	36.2	45.6	30.9	30.7	29.4	28.7	26.7	50.9
Marital Status								
Married	15.6	16.0	15.5	16.2	16.5	12.8	12.6	13.8
Unmarried	67.7	70.5	68.6	69.6	69.8	74.7	76.6	60.6
Unknown	16.7	13.5	15.9	14.2	13.7	12.5	10.8	25.6
Primary Diagnosis								
Psychiatric	44.2	43.1	43.0	45.2	43.4	47.0	46.2	44.7
Musculoskeletal	12.6	13.1	10.8	13.6	13.1	11.7	10.5	12.1

Table III.2 (continued)

	Employment Status at Entry					Goals at Baseline Assessment			
	All	Considering Employment	Working/Self Employed	Looking for Work/Offer Pending	Has Employment Goal	Has Education Goal or Is Pursuing Education	Has Benefit Reduction or Cessation Goal	No Goals or No Baseline Assessment	
Intellectual	11.7	12.1	15.2	9.7	11.8	11.5	12.3	11.2	
Sensory/communication	4.9	3.7	5.9	4.8	5.0	3.1	5.9	4.8	
Other nervous system	6.4	6.8	6.8	6.1	6.6	6.3	6.4	6.2	
Other diagnosis	20.2	21.2	18.2	20.6	20.2	20.4	18.7	21.0	
<b>Monthly SSA benefits</b>									
Less than \$500	28.5	33.8	28.0	26.3	27.0	37.1	38.2	27.7	
\$500-\$999	38.2	35.4	39.9	38.7	38.9	34.7	36.5	38.9	
\$1,000-\$1,500	20.7	19.9	20.4	21.1	21.2	18.8	16.5	20.9	
More than \$1,500	12.5	10.9	11.7	13.9	12.9	9.3	8.8	12.5	
Mean monthly SSA benefit (\$)	799.7	730.8	791.6	836.6	816.7	685.6	660.6	809.1	
<b>Months Since Initial Eligibility</b>									
Less than 24	13.5	14.2	11.2	15.2	14.0	12.9	12.1	12.6	
24 to 59	19.1	19.0	17.3	20.5	19.2	18.6	17.8	19.2	
60 to 119	22.7	21.2	24.3	22.3	22.4	24.2	21.9	23.3	
120 or more	44.6	45.5	47.2	42.1	44.4	44.3	48.2	44.9	
Mean time since initial eligibility (months)	128.6	125.6	137.7	123.3	128.3	122.1	137.0	130.4	
<b>Age at Initial Eligibility</b>									
Less than 18	17.3	23.3	16.2	15.2	16.4	26.9	20.8	15.7	
18 to 24	18.9	15.8	22.5	18.5	19.4	19.3	23.8	18.1	
25 to 34	21.1	19.9	21.5	21.4	21.9	20.7	21.1	20.5	
35 to 44	20.0	18.6	19.0	21.2	19.7	17.2	17.4	21.2	
45 to 54	15.7	14.8	13.9	16.9	15.8	11.8	12.8	16.2	
55 and older	7.1	7.7	6.9	6.7	6.8	4.1	4.1	8.3	
Mean age at initial eligibility (years)	31.6	30.3	31.1	32.5	31.7	27.4	28.7	32.7	
<b>Representative payee</b>	30.0	32.3	32.8	27.2	29.1	32.1	31.4	30.0	

Table III.2 (continued)

	Employment Status at Entry				Goals at Baseline Assessment			
	All	Considering Employment	Working/Self Employed	Looking for Work/Offer Pending	Has Employment Goal	Has Education Goal or Is Pursuing Education	Has Benefit Reduction or Cessation Goal	No Goals or No Baseline Assessment
Disabled adult child	5.3	6.0	5.9	4.7	5.2	6.3	5.3	5.3
Benefits suspended for work	4.7	1.9	10.8	2.4	4.9	3.8	5.9	4.7

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry and matched to the abbreviated TRF10.

As noted in the previous evaluation report (Schimmel et al. 2010), WIPA enrollees are typically younger than other beneficiaries. On average, WIPA enrollees in our sample were age 42.3 at entry, compared with a national average of 49 (Livermore et al. 2009b). Those considering employment at intake were slightly younger than average (40.7 years) as were those with education goals (37.6 years) and benefit reduction or cessation goals (40 years). For the education goal group, this difference was driven largely by those under age 25, who made up about one-quarter of the group, while those with goals to reduce or cease benefits were spread more evenly across the younger age groups.

Education is based on beneficiary self-reports during the intake interview, and is missing for a sizeable percentage of the sample (36.2 percent). About equal shares of WIPA enrollees had education beyond high school level, or had education at the high school level or equivalent (about 28 percent in each group). A minority of the sample (8.4 percent) reported that their highest level of education was less than a high school diploma. This share was much lower than the national average of about 40 percent among all disability beneficiaries (Livermore et al. 2009b), even after accounting for the large percentage of WIPA enrollees for whom information on education was missing. Those with less than a high school diploma and more than a high school diploma were more likely than others to be pursuing education or to have an education goal (12.7 and 36.5 percent of those with an education goal, respectively).

Marital status is also based on self-reports during the intake interview, but is missing for only 16.7 percent of sample members. The percentages of WIPA enrollees who were married are similar across the employment status subgroups, but vary somewhat by the goal subgroups. Overall, 15.6 percent of the sample were married, a rate that is substantially lower than the national average of about 31 percent for all SSI and DI beneficiaries (Livermore et al. 2009b). Those with employment goals were more likely to be married than those in the other goal subgroups.

Mental illness was the most prevalent primary diagnosis, with about 44 percent of the sample having a psychiatric diagnosis recorded in the SSA administrative data, followed by other diagnoses (20.2 percent), musculoskeletal disorders (12.6 percent), mental retardation (11.7 percent), other nervous system diagnoses (6.4 percent), and sensory or communication disorders (4.9 percent). With a few exceptions, the shares with particular primary diagnoses did not vary markedly across the employment and goal subgroups. Those with mental retardation were represented to a somewhat greater extent among those who were working, and to a lesser extent among those looking for work.

On average, sample members received about \$800 in monthly SSI (state and federal) and DI benefits. Although directly comparable information is not available, based on the national average of \$846 among all beneficiaries in 2006 (Livermore et al. 2009b), the average among WIPA enrollees in 2009 and 2010 is relatively low. Average monthly benefits were somewhat higher among those looking for work or with a pending job offer (\$837), and lower among those with education (\$686) and benefit reduction/cessation (\$661) goals—two categories with relatively higher concentrations of SSI-only beneficiaries.

Overall, an average of about 129 months (over 10 years) had elapsed since sample members first became eligible for SSI or DI benefits (including years when receiving child SSI payments), substantially fewer months than the 153-month average among all disability beneficiaries (Livermore et al. 2009b). The average number of months was highest among those who were working and those with benefit reduction/cessation goals (137.7 and 137.0, respectively) and lowest among those looking for work and those with an education goal (123.3 and 122.1, respectively).

Most WIPA enrollees (57 percent) first became eligible for disability benefits before age 35. The overall average age at first eligibility was about 32. Those with education and benefit reduction/cessation goals first became eligible for benefits at younger ages on average (27.4 and 28.7, respectively) compared with other groups.

Thirty percent of sample members had a representative payee at the time of intake; this was fairly similar across subgroups. Recent published statistics on the percentage of all adult disability beneficiaries with representative payees are not available.<sup>10</sup> Altshuler et al. (2011) reported a rate of 18 percent among new adult SSI and DI beneficiaries receiving Tickets under the Ticket to Work program in 2005. Older data reported in Kennedy (1995) indicate that 17 percent of all DI and SSI beneficiaries age 18 to 64 in December 1994 had representative payees. These data suggest that those receiving WIPA services are more likely to have representative payees than beneficiaries in general. The 5.3 percent of the sample that were disabled adult children (DAC) was also similar across employment and goal subgroups. This rate represents a somewhat lower percentage than the 8 percent of all adult disability beneficiaries nationally who are DAC (SSA 2010, 2011).

Overall, 4.7 percent of the sample had either their SSI and/or DI benefits suspended for work during the month of WIPA program entry. Not surprisingly, those employed at entry were much more likely than others (10.8 percent) to have their benefits suspended or terminated due to work. Those only considering employment were the least likely to have their benefits suspended or terminated because of earnings during the month of WIPA program entry (1.9 percent).

---

<sup>10</sup> The recent published statistics available are reported for the DI and SSI programs separately and do not provide numbers for concurrent beneficiaries.

#### IV. WIPA SERVICE USE

In this chapter, we briefly describe the WIPA services received by our sample of WIPA enrollees. We begin with a brief description of the nature of the WIPA services and the process by which information about those services is recorded in program administrative data. We then present descriptive statistics on the use of WIPA services from program entry through December 2010, the period relevant for the analyses of outcomes presented in subsequent chapters.

##### A. WIPA Services Tracked in ETO

The services provided to WIPA enrollees are tracked through an online data system known as Efforts to Outcomes (ETO), which was developed specifically to meet the needs of the WIPA program. For each beneficiary who enrolls to receive WIPA services, information is collected via an intake form, an I&R assessment, and a WIPA baseline assessment (Figure IV.1). WIPA enrollees may also have additional contacts with a WIPA project, which are recorded in WIPA ETO as beneficiary “efforts” or follow-up assessments, depending on the nature of the contact.

Intake information includes basic demographic characteristics, educational attainment, benefits receipt, and employment status at the time of intake. Per SSA specification, the WIPA ETO system requires that five elements be completed at intake: first and last name, date of birth, gender, benefits received at intake, and how the caller heard about the WIPA project.<sup>11</sup> WIPA ETO will not allow data entry to continue until these items are entered, so these data are collected for nearly every beneficiary making contact with a WIPA project. Other data elements are supposed to be completed as well, but this might not always occur.<sup>12</sup>

After completing the intake form, CWICs complete an I&R assessment, which documents the reasons for the inquiry to the WIPA project as well as the ways in which the contact was resolved. Topics of inquiry include WIPA and non-WIPA services, SSA work supports, and employment- or education-related questions. The contact is deemed to be resolved in several ways, including providing information or assistance, referring the beneficiary to another agency, or referring the beneficiary to a CWIC for WIPA services.

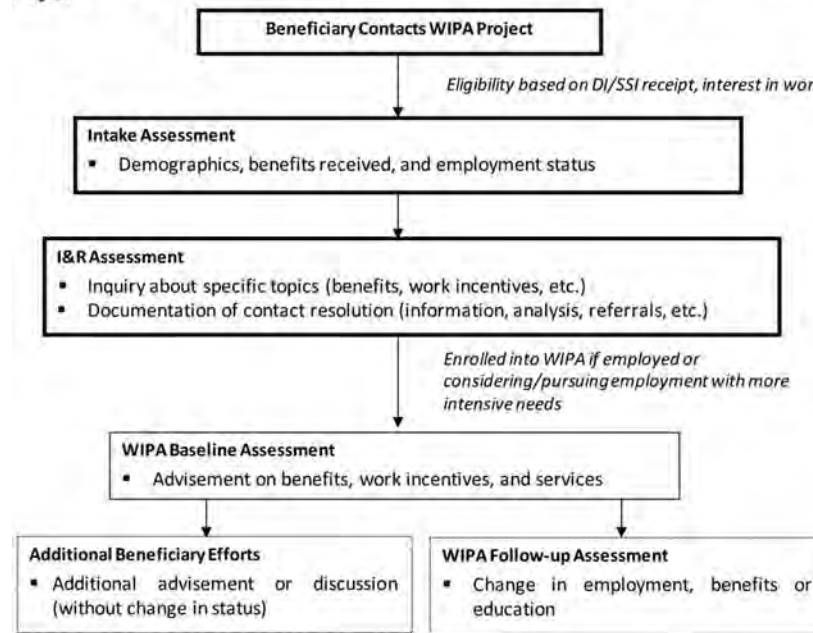
For beneficiaries who are enrolled to receive WIPA services (“WIPA enrollees”), the CWIC conducts at least one additional in-depth assessment, known as the WIPA baseline assessment. This assessment documents the specific benefits, work supports, and services discussed with the beneficiary. For each specific work support for which a WIPA enrollee is eligible, the CWIC records whether it was discussed and whether it was suggested to the beneficiary that he or she take advantage of it in order to meet his or her employment goals.

<sup>11</sup> Social Security number (SSN) is not a required element, because beneficiaries calling with simple inquiries may be hesitant to provide such sensitive information.

<sup>12</sup> Beneficiaries may be unwilling to provide the information or CWICs may neglect to collect it. See Schimmel et al. (2010) for a discussion of missing data in the WIPA ETO data system.



Figure IV.1. Progression of Data Collection in WIPA ETO After Beneficiaries First Contact a WIPA Project



Note: Data in the top three boxes are to be collected from all beneficiaries (those who receive I&R only and those who enroll to receive WIPA services). Data in the bottom three boxes are only to be collected from WIPA enrollees; data in bottom two dashed boxes do not necessarily have to be collected if enrollees do not receive services beyond the WIPA baseline assessment.

A key feature of the WIPA program is providing ongoing support to beneficiaries. Additional support beyond the baseline assessment is recorded as beneficiary “efforts.” Efforts record each time a CWIC has a significant interaction with the beneficiary outside of the formal assessment process. For example, a beneficiary with a job offer may call the CWIC to discuss how earnings would affect cash benefits; this information and any suggestions provided by the CWIC during the interaction should be recorded as an effort. The number of efforts a beneficiary can have is unlimited but depends on the needs of the individual and the WIPA project’s ability to provide additional services.

CWICs are to conduct follow-up assessments if the WIPA enrollee has a change in benefits, education, or employment status after the baseline assessment. The follow-up assessment is virtually identical to the baseline assessment and allows WIPA staff to identify any areas that have changed since baseline. Not all beneficiaries will have follow-up assessments; if no significant changes occur after the baseline assessment, there is no need to conduct one. Also, beneficiaries may have a significant change in status that they do not report to the WIPA; this information necessarily would

not be contained in a follow-up assessment. Therefore, it is likely that follow-up assessments are an undercount of significant changes following the baseline assessment.

## B. Service Use Among WIPA Enrollees Through December 2010

In Table IV.1, we present statistics on WIPA service use through December 2010 for our sample of WIPA enrollees, focusing on the services specific to those enrolled to receive WIPA services—baseline assessments, follow-up assessments, and efforts—as well as an estimate of the total service time spent with WIPA enrollees.

Overall, 91.9 percent of WIPA enrollees had a baseline assessment completed by December 31, 2010 (Table IV.1). There was little variation in the likelihood of having a baseline assessment by employment status at intake; 91.7 percent of those who were considering employment had a baseline assessment while 93.8 percent of those looking for work or with a job offer pending did. By definition, every enrollee with an education, employment, or benefits goal at the baseline assessment had such an assessment. Only about 70 percent of those without a goal had an assessment, though this is not surprising, since this group includes those lacking a baseline assessment (about 8 percent of the full sample).

Follow-up assessments are not very common; overall, only 13.4 percent of WIPA enrollees had one by December 31, 2010 (Table IV.1). As noted previously, follow-up assessments are only conducted if a beneficiary has a significant change in employment, education, or benefits—and informs the WIPA project of such a change. The likelihood of a follow-up assessment was highest among those who were already working at program entry (15.7 percent), compared with 13.4 percent of those who were looking for work or had a job offer pending, and 12.3 percent of those who were considering employment. Similarly, those with specific employment, education, or benefits goals at baseline were more likely to have a follow-up assessment than those without goals; 14.5–14.7 percent of those with goals had a follow-up assessment (depending on the goal) compared with 10.9 percent of those without specific goals.

Just over 70 percent of WIPA enrollees had at least one contact (effort) with the WIPA project beyond the baseline or follow-up assessment (Table IV.1). The average number of efforts was 2.4, however, the majority of enrollees (59.4 percent) received fewer than two. Those who were working at entry and those with employment, education, and benefits goals had more than the average number of efforts; those who were not yet working or who did not have specific goals had fewer than the overall average number. Conditional on having at least one assessment, 85 percent had five or fewer; this varied relatively little by employment status at entry (between 81.2 and 87.7 percent). Among employment status groups, those who were working or self-employed at entry were the most likely to have more than five efforts. Those without specific baseline goals were more likely to have five or fewer efforts compared to those with defined goals.

The duration of beneficiary efforts can vary substantially. Some may involve brief phone calls with the beneficiary, others may be much more involved. For example, efforts may include the completion of a request for a Benefits Planning Query from SSA or completion of a Benefits Summary and Analysis, each of which would require significant CWIC time. The WIPA ETO data system provides a way for CWICs to report the amount of time spent on each effort. We used this information to construct a measure of total service time per WIPA enrollee. The estimate of total direct service time (hours) reflects the hours WIPA projects spent conducting I&R and baseline

Table IV.1. WIPA Service Use as of December 31, 2010

	Employment Status at Entry				Goals at Baseline Assessment			
	All	Considering Employment	Working/ Self-Employed	Looking For Work/Other Pending	Has Employment Goal	Has Education Goal or Pursuing Education	Has Benefit Reduction or Cessation Goal	No Goals or No Baseline Assessment
Number	11,277	2,780	3,213	4,990	7,667	2,443	2,512	2,995
Percent of WIPA Enrollees	100.0	24.7	28.5	44.2	68.0	21.7	22.3	26.6
<b>I&amp;R Assessments</b>								
Percent with at least one I&R assessment								
<b>Baseline Assessments</b>								
Percent with a baseline assessment	91.9	91.7	92.4	93.8	100.0	100.0	100.0	69.5
<b>Beneficiary Efforts</b>								
Average number	2.4	2.5	2.9	2.1	2.6	2.8	2.6	1.7
Distribution of Efforts (%)								
0	27.1	26.7	22.3	26.3	20.4	19.5	20.6	44.1
1	32.3	28.3	30.9	37.2	34.7	32.9	35.9	26.2
2 to 5	29.7	33.7	32.2	27.5	32.5	34.4	31.3	22.0
6 to 10	6.9	7.3	9.2	5.5	7.8	8.3	7.6	4.9
>10	4.0	4.0	5.4	3.4	4.6	4.9	4.5	2.8
<b>Follow-Up Assessments</b>								
Percent with a follow-up assessment	13.4	12.3	15.7	13.4	14.6	14.7	14.5	10.9
<b>Direct Service Time<sup>a</sup></b>								
Average number of hours	4.2	4.3	4.7	4.0	4.7	4.9	4.6	3.1
Distribution of service hours (%)								
< 1	5.4	5.8	4.1	3.6	0.0	0.0	0.0	20.2
1 to 2.99	30.6	27.8	27.4	32.8	26.8	25.9	25.2	39.5
3.0 to 5.99	47.8	49.8	46.5	50.4	54.3	52.1	55.9	30.3
6.0 to 9.99	11.8	12.1	15.6	9.9	13.5	16.5	14.1	7.6
10 or more	4.4	4.5	6.4	3.3	5.3	5.6	4.8	2.4

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry and matched to the abbreviated TRF10.

<sup>a</sup> Includes estimated time for I&R and baseline assessments, and actual time for efforts.

WIPA assessments and providing other direct services, as measured by the efforts forms. Because only time spent serving clients—but not the time spent conducting I&R and WIPA baseline assessments—is captured on the efforts form, we needed to develop time estimates for I&R and WIPA assessments to include in the total direct service time measure. We applied these assumptions: an I&R assessment would take one hour to conduct and a WIPA baseline assessment would take 2.5 hours.<sup>15</sup> After the initial contact and baseline assessment, WIPAs recorded follow-up contacts in the beneficiary efforts form, which includes a “time spent” field. After converting the number of I&R and WIPA baseline assessments into estimated staff hours, we added the hours recorded on the efforts form to get the total hours of service provided:

$$\text{Total Direct Service Hours} = (1 * \text{Number of I\&R Assessments}) + (2.5 * \text{Number of WIPA Baseline Assessments}) + \text{Total Hours from Beneficiary Efforts Form}$$

On average, each beneficiary received 4.2 hours of service, with just over 80 percent having between 1 and 6 hours of time with the CWIC. Average direct service time was highest among those who were working at intake, but only slightly larger than for others: 4.7 hours among those working or self-employed, compared with 4.3 hours among those considering employment and 4.0 hours among those with a job offer pending or looking for work. Similar to the pattern for efforts, those without employment goals at baseline had fewer average hours of service time than those with specified goals: 3.1 hours versus 4.6–4.9 hours among those with goals specified.

The number of WIPA service hours received by beneficiaries is a variable we include in the multivariate analyses presented in the chapters that follow. A priori, we hypothesized that, other characteristics held constant, WIPA enrollees receiving more-intensive services (as measured by service hours) would be more likely to use SSA work supports, become employed, and leave SSA benefits because of earnings. This is both because more-intensive WIPA services might help beneficiaries to achieve these outcomes and because those using work supports, working, and attempting to reduce their reliance on SSA benefits are those most likely to require greater WIPA assistance. But it is also the case that beneficiaries experiencing problems with employment and negative employment outcomes might need more intensive assistance, which could serve to dampen the hypothesized relationship between service intensity and outcomes.

<sup>15</sup> We arrived at these assumptions by analyzing the time spent providing I&R and benefits counseling services in the BPAO program during January 2001 through December 2005, for purposes of the previous WIPA evaluation report. See Appendix G in Schimmel et al. (2010) for a description of this analysis.

## V. USE OF SSA WORK SUPPORTS

As discussed in Chapter II, a primary goal of the WIPA program is to provide information to beneficiaries to help them understand and manage the complex program rules and numerous work supports that can be used to maintain eligibility for DI, SSI, and public health insurance as their earnings increase. In this chapter, we examine the extent to which WIPA clients used SSA work supports, and look for evidence that the WIPA program promotes and facilitates the use of those supports. In what follows, we first briefly describe how earnings affect SSI and DI benefits and the work supports that can be used by participants in both programs. We then present descriptive statistics on the use of nine specific work supports by our cohort of WIPA enrollees, focusing on the period between when the WIPA baseline assessment was conducted (the time when the work supports would have been discussed with the WIPA enrollee) and the end of December 2010 (the last month for which data on the use of the work supports are available in the TRF10). In the final section, we present the findings of multivariate regression models of the use of the SSA work supports, estimated to explore the extent to which personal characteristics and selected WIPA service features (service hours and whether specific work incentives were discussed with the beneficiary) are significantly associated with use of work supports by WIPA enrollees.

### A. SSA Work Supports

The SSI and DI programs are designed to provide income support to those with significant disabilities who are unable to work at substantial levels. To qualify for either program, an applicant must demonstrate an inability to engage in substantial gainful activity (SGA) because of a medically determinable impairment expected to last at least 12 months or to result in death. In 2011, SSA considers unsubsidized earnings above \$1,000 per month as SGA for all nonblind applicants and beneficiaries. DI eligibility is also contingent on having a sufficient number of recent and lifetime quarters of Social Security-covered employment, and the level of the DI benefit is based on past earnings—individuals with higher lifetime earnings are eligible for higher DI benefits. SSI is a means-tested program; eligibility is subject to strict income and resource limits. The SSI payment is based on the individual's monthly income and living arrangement. Many states also supplement the federal SSI payment with a state SSI payment. Individuals may qualify for both the DI and SSI programs if their incomes (including DI benefits) and assets are low enough to meet the SSI income limits. Eligibility for either program can also provide access to public health insurance. DI beneficiaries qualify for Medicare coverage after a 24-month waiting period and most SSI beneficiaries are automatically eligible for Medicaid.

Though initial eligibility for both programs is contingent on having limited earnings, the DI and SSI programs differ markedly in terms of how earnings are treated in determining monthly cash payments and ongoing eligibility for the programs. In the DI program, individuals are permitted to work and earn at any level for up to nine months without losing eligibility for DI benefits. This nine-month period is referred to as the trial work period (TWP).<sup>14</sup> In 2011, individuals are considered to be in a TWP if monthly earnings exceed \$720 or if they are working more than 80 self-employed hours per month. If individuals earn more than the SGA level in any month after completing the

<sup>14</sup> The nine months need not be consecutive and must occur within a rolling 60-month period.

TWP, they become ineligible for any DI benefits but remain eligible for Medicare if they completed the 24-month Medicare waiting period before becoming ineligible for DI.

In the SSI program, earnings above \$85 per month will reduce SSI benefits by \$1 for every \$2 of earnings;<sup>15</sup> thus, SSI benefits are reduced gradually as earnings rise. Provisions in the SSI program allow participants to earn above the SGA level and remain eligible for SSI (Section 1619 (a)), and to remain eligible for Medicaid even after SSI cash payments cease due to earnings (Section 1619(b)). Individuals remain eligible for Medicaid until their earnings exceed a “threshold amount,” which is based on annual per-capita Medicaid expenditures for SSI recipients, and varies by state. The threshold can also be computed for individuals if their Medicaid expenditures exceed the state per-capita amount. In 2011, state threshold amounts range from about \$24,000 to nearly \$55,000.

The SSI and DI programs have other provisions intended to help beneficiaries return to work. In Table V.1, we summarize those for which statistics are presented in this chapter. In interpreting the findings presented in this chapter, it is important to keep in mind that beneficiary use of many of the work supports is reflected in the SSA administrative data with a considerable lag, particularly for work supports that are triggered by earnings. Beneficiaries might not report their earnings timely, and even when they do, SSA is required to verify the earnings information, which can take time. Delays in recording use of the TWP are particularly likely because beneficiaries can work and earn at any level for up to nine months in a rolling five-year period. SSA staff might delay processing the earnings information for DI beneficiaries who become newly employed until a time when the earnings appear likely to affect benefits, that is, after nine or more months. As a result, the work support use rates we report are likely to be undercounts of the actual rates because some information had not yet been recorded at the time we extracted the data for this analysis.

## B. Descriptive Statistics

For each of nine SSA work supports, we used data from the abbreviated TRF10 to examine the extent to which WIPA enrollees were using the supports during the month before WIPA program entry and the month before baseline assessment, how frequently enrollees discussed the incentive with a CWIC, and the use rates as of December 2010 among those who were not using the support at baseline assessment.

Of the nine work supports shown in Table V.2, TTW was the most frequently used by WIPA enrollees prior to enrolling in WIPA services, with about 24 percent using the program during the month before WIPA entry. Use rates during the month before entry were considerably lower for all other work supports. Among WIPA enrollees who were DI beneficiaries, about 10 percent were using the extended period of eligibility (EPE), four percent were in a TWP, and about one percent used employer subsidies or special work conditions during the month before WIPA entry. Among WIPA enrollees who were SSI recipients, about five percent were using section 1619(b) and about three percent of SSI recipients under age 22 were using the student earned income exclusion. All other work supports, including section 1619(a), plans for achieving self support (PASS), and impairment related work expenses (IRWE), were used by less than one percent of WIPA enrollees

<sup>15</sup> A monthly \$20 general income disregard and a \$65 disregard for earnings are applied when determining countable income for purposes of SSI eligibility.

for whom each support was applicable. Use rates did not change substantially between the month before WIPA entry and the month before the WIPA baseline assessment.

**Table V.1. Selected DI and SSI Work Supports**

Support	Description
<b>Applicable to DI</b>	
Trial Work Period	Permits DI beneficiaries to test their ability to work for up to nine months without affecting their DI benefits.
Extended Period of Eligibility	Allows DI beneficiaries to earn any amount over a consecutive 36-month period following the completion of the Trial Work Period without jeopardizing eligibility for benefits. After a three-month grace period, benefits are reduced to zero when earnings reach the SGA level, but during this period, beneficiaries can receive DI benefits in any month in which their earnings are below the SGA level. Benefits are terminated if earnings exceed the SGA level after the 36th month once all grace periods months have been used; otherwise benefits continue until terminated for some other reason.
Employer subsidy and special work conditions	Wage subsidies, special job conditions, or on-the-job assistance may be taken into account in determining whether the beneficiary is engaging in SGA, which can affect DI benefits. In determining SGA, SSA counts only the earnings that are based on the individual's productivity. Subsidies and special work conditions can also affect the SGA determination made for purposes of initial eligibility, but they do not affect SSI payments after an individual becomes eligible for SSI, and so we do not consider them to be work supports in the SSI program.
<b>Applicable to SSI</b>	
Section 1619(a)	Provides continued Medicaid coverage and reduced SSI payments to recipients who earn more than the SGA amount but remain below the SSI break-even point (the earnings level where benefits are reduced to zero).
Section 1619(b)	Provides continued Medicaid coverage and SSI eligibility, but with no monthly payments to recipients whose income exceeds the SSI break-even point but is less than the state's 1619(b) threshold amount.
Plan for Achieving Self-Support	Allows a recipient to set aside income and/or resources for such things as education, vocational training, or starting a business without having the income/resources counted in the SSI income and resource eligibility tests.
Student Earned Income Exclusion	Allows a student under age 22 who attends school regularly to exclude up to \$1,640 of earned income per month (up to a maximum of \$6,600 per year) in computing the SSI payment.
<b>Applicable to DI and SSI</b>	
Ticket to Work	Allows beneficiaries to obtain employment, vocational rehabilitation, and other support services from participating providers. Providers are paid by SSA based on a beneficiary's employment outcomes.
Impairment-Related Work Expenses	Excludes from earnings the costs of certain impairment-related items or services a person needs for work when calculating benefits and ongoing eligibility.

Sources: SSA (2011); Program Operations Manual System Section DI 10505.010.

Table V.2. Use of SSA Work Supports

Work Support	All to Whom the Support Is Applicable	Using Support During Month Before:		Support Ever Discussed with WPA			Used Support Between Baseline Assessment Through Dec 2010 Among Those Not Using During Month Before Baseline Assessment		
		Entry	Baseline Assessment	All	User Month Before Baseline Assessment	Nonuser Month Before Baseline Assessment	All	Support Ever Discussed	Support Not Ever Discussed
Applicable to DI									
TWP									
Number	8,471	336	375	6,600	299	6,301	720	610	110
Applicable subgroup	8,471	8,471	8,471	8,471	375	8,096	8,096	6,301	1,795
Percent of applicable subgroup	100.0	4.0	4.4	77.9	79.7	77.8	8.9	9.7	6.1
EPE									
Number	8,471	803	805	6,415	567	5,848	212	158	54
Applicable subgroup	8,471	8,471	8,471	8,471	805	7,666	7,666	5,848	1,818
Percent of applicable subgroup	100.0	9.5	9.5	75.7	70.4	76.3	2.8	2.7	3.0
Subsidy/special work conditions									
Number	8,471	89	88	5,221	43	5,178	40	15	25
Applicable subgroup	8,471	8,471	8,471	8,471	88	8,383	8,383	5,178	3,205
Percent of applicable subgroup	100.0	1.1	1.0	61.6	48.9	61.8	0.5	0.3	0.8
Applicable to SSI									
1619(a)									
Number	5,613	53	58	2,882	22	2,860	249	106	143
Applicable subgroup	5,613	5,613	5,613	5,613	58	5,555	5,555	2,860	2,695
Percent of applicable subgroup	100.0	0.9	1.0	51.3	37.9	51.5	4.5	3.7	5.3
1619(b)									
Number	5,613	290	299	3,396	193	3,203	487	326	161
Applicable subgroup	5,613	5,613	5,613	5,613	299	5,314	5,314	3,203	2,111
Percent of applicable subgroup	100.0	5.2	5.3	60.5	64.5	60.3	9.2	10.2	7.6



Table V.2 (continued)

	Using Support During Month Before:		Support Ever Discussed with WIPA			Used Support Between Baseline Assessment Through Dec 2010 Among Those Not Using During Month Before Baseline Assessment			
	All to Whom the Support Is Applicable	Entry	Baseline Assessment	All	User Month Before Baseline Assessment	Nonuser Month Before Baseline Assessment	All	Support Ever Discussed	Support Not Ever Discussed
Student earned income exclusion									
Work Support									
Number	1,008	29	28	471	22	449	8	4	4
Applicable subgroup	1,008	1,008	1,008	1,008	28	980	980	449	531
Percent of applicable subgroup	100.0	2.9	2.8	46.7	78.6	45.8	0.8	0.9	0.8
PASS									
Number	5,613	30	32	2,608	23	2,585	77	69	8
Applicable subgroup	5,613	5,613	5,613	5,613	32	5,581	5,581	2,585	2,996
Percent of applicable subgroup	100.0	0.5	0.6	46.5	71.9	46.3	1.4	2.7	0.3
Applicable to DI and SSI									
TTW <sup>a</sup>									
Number	11,277	2,699	2,857	7,581	1,880	5,698	1,723	1,270	453
Applicable subgroup	11,277	11,277	11,277	11,277	2,857	8,420	8,420	5,698	2,722
Percent of applicable subgroup	100.0	23.9	25.3	67.2	65.8	67.7	20.5	22.3	16.6
IRWE									
Number	11,273	34	32	7,241	22	7,219	43	24	19
Applicable subgroup	11,273	11,273	11,273	11,273	32	11,241	11,241	7,219	4,022
Percent of applicable subgroup	100.0	0.3	0.3	64.2	68.8	64.2	0.4	0.3	0.5

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Work support use is based on the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

<sup>a</sup> Statistics for TTW were computed using the TTW use status during the month before program entry (rather than the month before the baseline assessment) because referrals to vocational rehabilitation and TTW are discussed during the intake process.

CWICs discussed most of the work supports with the majority of WIPA enrollees to whom the supports were applicable. At some time between the baseline assessment and the end of December 2010, CWICs discussed six of the nine work supports shown in Table V.2 with at least 60 percent of enrollees to whom the supports were applicable. The TWP and EPE were the most frequently addressed work supports, discussed with about 78 percent and 76 percent of DI beneficiaries, respectively. Section 1619(a), the student earned income exclusion, and PASS were the least likely to be addressed, discussed with about 51 percent, 47 percent, and 46 percent of beneficiaries to whom these provisions were applicable, respectively.

The likelihood with which a particular work support was discussed varied between beneficiaries who were users and nonusers of the support during the month before baseline assessment. The rates at which CWICs discussed the TWP, EPE, 1619(b), TTW, and IRWE did not differ markedly between those who were already using these supports and those who were not. Analysis of the timing of WIPA service entry relative to the use of selected work supports among those using selected supports at WIPA entry (not shown) indicates that TTW, TWP, and 1619(b) users sought WIPA services relatively soon after they began using these work supports. About 30 percent of TTW users who discussed this program with a CWIC came to the WIPA program during the first four months after their Tickets were assigned, and a little over one-half of those using the TWP who discussed this support with a CWIC sought WIPA services during their first three trial work months. About 60 percent of those using 1619(b) at WIPA entry who discussed this support with a CWIC were in the first four months of use of that support when they came to the WIPA program.<sup>16</sup> Subsidy/special work conditions and section 1619(a) were much more likely to be discussed with nonusers, and the student earned income exclusion and PASS were much more likely to be discussed with those already using these supports.

The final columns of Table V.2 show the percentages of nonusers who subsequently used each work support during at least one month between the baseline assessment and the end of December 2010. These statistics are shown overall and by whether the work support was ever discussed with the beneficiary during that period. A priori, we would hypothesize that use rates would be much higher among those with whom the CWIC discussed the work supports. This was the case for four of the nine work supports (TWP, section 1619(b), PASS, and TTW). For the other five work supports, the use rates for those with whom the WIPA discussed the support were about the same or lower than the rates for those who never discussed the support with a CWIC. The differences in use rates between those who did and did not discuss each work support cannot be interpreted as an effect of WIPA services (either positive or negative) on the use of the supports. CWICs might have discussed a work support because a client was already interested in it or ready to use it and would have done so even in the absence of WIPA services. Also, discussion of a work support does not necessarily mean that the CWIC encouraged its use. Several options could be discussed before beneficiaries decide on a plan, and CWICs might have advised a client against using a particular work support if it would not help the enrollee to achieve his or her goals.

<sup>16</sup> Similar analyses were not conducted for the EPE because of difficulties identifying the start of this period in the TRF10, and also were not conducted for the other work supports because of the small number of prior users discussing these supports with CWICs.

### C. Multivariate Analyses

To explore the determinants of using the SSA work supports shown in Table V.2, we estimated regression (logit) models of the likelihood of using the TWP, EPE, section 1619(a), section 1619(b), PASS, IRWE, TTW, and use of any of the work supports.<sup>17</sup> Each model was estimated using only the sample members for whom the specific work support was applicable (based on program status at WIPA entry) and who were not using the work support during the month before baseline assessment.<sup>18</sup> Because of the very small number of users, we did not estimate models for work subsidy/special work conditions or for the student earned income exclusion, but included these provisions in the model estimating the use of any work support.

The regression models included the following explanatory variables: age, race, sex, education, SSA program (DI-only, SSI-only, and concurrent), representative payee status, disabled adult child (DAC), total SSA benefits at WIPA program entry, months since initial eligibility for SSA benefits, total WIPA service hours, referral source, employment status at entry, goals at baseline assessment, months from the baseline assessment through December 2010, and whether the work support was discussed with the client by a CWIC. Although the personal characteristics that are significant predictors of using particular work supports are of general interest, we are most interested in whether WIPA service hours or discussion of a work support with the CWIC are significantly associated with use, after controlling for other characteristics that might affect the use of the work supports.

The definitions of the explanatory variables used in the regression models presented here and in subsequent chapters are provided in Appendix A (Appendix Table A.1). The model estimates are provided in Appendix B (Appendix Tables B.1–B.14), as is a more detailed discussion of the findings with respect to the non-WIPA explanatory variables included in the models.<sup>19</sup> In general, the findings with respect to the non-WIPA explanatory variables varied considerably across regression models. Age and time on the disability rolls were significant predictors of using several of the work supports (younger ages and less time on the rolls was associated with a higher likelihood of use). Not surprisingly, those employed at WIPA program entry were significantly more likely to use nearly all work supports. The significance and direction of the association for other explanatory variables varied across models. In several of the models, the small number of users likely contributed to the lack of statistical significance for some variables.

<sup>17</sup> The models estimating the use of any work support considered the use of all provisions shown in Table V.2 and were estimated among sample members who were not using any of the provisions the month before the baseline assessment.

<sup>18</sup> Because referrals to vocational rehabilitation and TTW are discussed during the intake process and because many beneficiaries are referred to WIPA services by TTW providers, the TTW models were estimated using all WIPA enrollees in our sample who were non-users the month before program entry, rather than the month before the baseline assessment.

<sup>19</sup> For most of the models estimated, a standard set of approximately 40 explanatory variables were included. Because of the large number of variables included in the models, and because a few of the explanatory variables might be highly correlated with one another, we computed the variance inflation factors (VIF's) to assess the degree to which multicollinearity might be an issue in selected regression models. Among the original explanatory variables included in most of the regression analyses, only two were identified as being potentially problematic based on their VIF values—the variable representing SSI-only status, and the variable representing monthly SSA benefits of less than \$500. We excluded the SSA benefit variables in selected regressions to minimize the likelihood of multicollinearity.

With respect to the two sets of WIPA explanatory that are of particular interest to this evaluation, we find the following:

- **WIPA service hours.** Relative to others, those receiving more than six hours of WIPA services are more likely to use all of the work supports considered except IRWE. Those receiving three or more hours of service also are more likely than others to use TWP and TTW.
- **CWIC discussion of work supports.** Discussion of the specific work support between the CWIC and the beneficiary is significant and positively associated only with use of TWP and PASS.

A priori, we hypothesized that, after controlling for other characteristics, those receiving more WIPA service hours would be more likely to use work supports. This is because those using work supports (whether or not prompted by a CWIC) might require more WIPA assistance to navigate them, and because more contact with a WIPA might result in more intensive prompting and encouragement to work and utilize the available work supports. This hypothesis was confirmed by the multivariate findings; those receiving six or more hours of WIPA services were significantly more likely than others to use all of the work supports analyzed except IRWE.<sup>20</sup>

The hypothesis that discussion of particular work supports between the CWIC and beneficiary would be associated with significantly greater use of the support, after holding other characteristics constant, was true only for TWP and PASS. These findings suggest that WIPA services might have contributed to an increased use of these two work supports; however, we cannot say with certainty that individuals using these supports would not have used them in the absence of WIPA services. The TWP in particular is a work support that becomes effective automatically when a DI beneficiary begins earning above the trial work level. It might be that CWICs were more likely to have discussed this provision with those beneficiaries who were already earning above the trial work level or most likely to be doing so in the near future. However it is also possible that, although many of these beneficiaries would have eventually used the TWP in the absence of WIPA services, the trial work months would not have been recorded as quickly by SSA. Although the TWP is activated automatically, it still requires DI beneficiaries to report their earnings to SSA. The finding that WIPA discussion of the TWP with beneficiaries is significantly associated with increased use of the TWP in a relatively short period of time (nine to 15 months after WIPA program entry) suggests that even if these beneficiaries had used the TWP in the absence of WIPA services, WIPA services might have prompted them to be more timely in reporting their earnings to SSA, and to do so in a manner such that the trial work months were processed and recorded more quickly in the SSA administrative data.<sup>21</sup> If this is indeed the case, then it is an important effect of the WIPA programs because it may reduce the likelihood that working DI beneficiaries will experience a benefit overpayment, or may lower the magnitude of overpayments that occur.

<sup>20</sup> Few variables were significant predictors of IRWE use, in part due to the small number of beneficiaries who used this work support.

<sup>21</sup> Because DI beneficiaries can work and earn above SGA for up to nine months during the TWP and for another three-month grace period before the EPE takes effect (and DI benefits are affected), earnings information and trial work months are frequently assessed retrospectively by SSA and only after a relatively long period of time has elapsed. See Livermore (2003) for a more detailed discussion of the processing of earnings information by SSA and the factors that contribute to delays in recording earnings and making benefit adjustments in the DI program.

With respect to the PASS findings, we cannot say with certainty that those who used PASS after receiving WIPA services would not have done so in the absence of those services. But the PASS provision is a somewhat complicated work support that is typically utilized by very few SSI recipients. It requires significant effort by the SSI recipient to develop a plan and have that plan approved by SSA. Given the complexity and obscurity of PASS, it is likely that the WIPA programs were instrumental in facilitating their clients' use of that work support.

In interpreting the findings presented in this chapter, it is important for readers to keep in mind that we were able to follow WIPA enrollees for only a short period of time. We observed their use of work supports in the administrative data covering a period following WIPA program entry of between nine and 15 months, depending on when they first entered WIPA services. This is a relatively short period of time given what might be required for nonworking beneficiaries to prepare for and find suitable employment, to begin working at levels that would make their use of many of the SSA work supports relevant, and to have their use of the work supports recorded by SSA in the administrative data. It might have been particularly challenging for beneficiaries to find work because of the poor economy and generally high unemployment rates during this period.<sup>22</sup>

---

<sup>22</sup> The U.S. economy experienced a severe recession from December 2007 through June 2009, however, high rates of unemployment persisted following the official end of the recession due to unprecedented high rates of job loss and extended durations of unemployment (Farber 2011). In December 2009, unemployment rates were 9.5 percent for people without disabilities and 13.8 percent for people with disabilities (Bureau of Labor Statistics 2011).

## VI. EMPLOYMENT AND EARNINGS

In this chapter, we present statistics on employment and earnings that are based on annual 2009 and 2010 IRS earnings data. We first present descriptive statistics on the percentages of WIPA enrollees who had earnings in 2009 and 2010, on average annual earnings, and on changes in annual earnings from 2009 to 2010, both overall and for selected subgroups. We then present findings from multivariate analyses conducted to explore the relationships between WIPA services (service hours and employment-related suggestions made by CWICs) and selected employment outcomes, after controlling for other personal characteristics.

### A. Descriptive Statistics

Employment and annual earnings information from 2010 IRS earnings data are presented in Table VI.1 for the overall sample of WIPA enrollees and for a variety of subgroups. Overall, 54.8 percent of WIPA enrollees had some level of earnings in 2010. By comparison, about 18 percent of all SSI and DI beneficiaries and about one-third of all work-oriented beneficiaries (those with employment goals or near-term expectations) have earnings in a given year based on IRS data (Livermore et al. 2009a).

With a few exceptions, employment rates did not vary dramatically by personal characteristics. This at first seems surprising, because we know from other studies that personal characteristics like age, education, and time on the disability rolls are significant predictors of employment. However, because beneficiaries who seek WIPA services are a self-selected group of individuals specifically interested in employment, it is perhaps not so surprising that their employment rates vary far less by personal characteristics than would be the case among all beneficiaries.

Some findings and patterns evident in Table VI.1 warrant highlighting. SSI-only recipient are much less likely than others to have earnings, especially when compared with DI-only beneficiaries (47.4 percent versus 59.6 percent). Females are more likely than males to have earnings. Employment rates generally decline with age. With employment rates of about 60 percent, those with intellectual disabilities, sensory, and communication disorders are more likely than those with other impairments to have earnings in 2010. Employment rates increase steadily with the level of monthly SSA benefits, corresponding with the findings that SSI-only recipients have lower employment rates than do DI-only beneficiaries. Employment rates decline steadily with time on the disability rolls, but do not vary substantially by age at first eligibility for benefits or by whether the beneficiary is a DAC or has a representative payee. Not surprisingly, those in nonpayment status following a suspension or termination because of work (NSTW) during the month before WIPA service entry had the highest employment rate (82.6 percent) as measured by IRS-recorded earnings in 2010.<sup>23</sup>

<sup>23</sup> The 61 beneficiaries who were NSTW during the month before WIPA services but who had no IRS-recorded earnings in 2010 were likely beneficiaries who were employed and enrolled in the WIPA program during 2009, but discontinued working in 2010. It is also possible that the NSTW status of some of these beneficiaries is inaccurately recorded in the SSA administrative data due to beneficiaries not reporting their change in employment status to SSA or delays in SSA processing of the information.

**Table VI.1. Percentage with Earnings, Average Earnings, and Earnings Above SGA in 2010, by Selected Characteristics**

	Number	Percentage with Earnings in 2010	Average Annual Earnings Among Those with Positive Earnings	Percentage with Earnings Above Annualized Nonblind SGA
<b>All</b>	11,277	54.8	6,736	8.0
<b>Program status at entry</b>				
SSI-only	2,810	47.4	5,145	5.4
Concurrent	2,837	52.6	5,361	5.6
DI-only	5,630	59.6	7,980	10.5
<b>Sex</b>				
Male	5,774	52.4	6,882	7.8
Female	5,503	57.3	6,596	8.2
<b>Age</b>				
Less than 25	1,637	57.0	4,643	5.0
25 to 29	932	56.8	6,409	9.0
30 to 34	862	56.8	6,698	8.1
35 to 39	1,044	55.9	7,523	9.6
40 to 44	1,301	54.1	7,126	9.4
45 to 54	3,365	53.1	7,137	8.4
55 and over	2,136	54.0	7,340	7.5
<b>Education</b>				
Less than high school	948	56.0	4,561	4.7
High school or equivalent	3,132	55.1	6,010	6.3
More than high school	3,112	58.2	8,065	10.9
Unknown	4,085	51.7	6,738	7.8
<b>Primary diagnosis</b>				
Psychiatric	4,984	54.3	5,946	6.4
Musculoskeletal	1,424	54.4	7,858	8.2
Intellectual	1,322	60.7	4,636	5.1
Sensory/communication	548	60.8	8,882	17.0
Other nervous system	724	54.0	6,597	8.1
Other	2,275	51.6	8,694	10.7
<b>Monthly SSA benefit at entry</b>				
Less than \$500	3,218	50.3	6,019	7.1
\$500-\$999	4,308	55.0	5,673	6.1
\$1,000-\$1,500	2,336	57.5	7,054	8.7
More than 1,500	1,415	60.1	10,558	14.6
<b>Months since initial disability eligibility</b>				
Less than 24	1,525	59.7	8,230	10.6
24 to 59	2,159	55.2	6,840	8.0
60 to 119	2,561	54.0	7,344	9.3
120 or more	5,031	53.6	5,873	6.5
<b>Age at initial disability eligibility</b>				
Less than 18	1,951	53.7	4,924	5.4
18 to 24	2,133	58.3	5,999	7.7
25 to 34	2,379	54.0	7,082	8.4
35 to 44	2,252	53.6	7,143	8.6
45 to 54	1,765	53.5	7,776	9.1
55 and over	795	56.9	8,719	9.8
<b>Representative payee</b>	3,383	55.6	5,162	5.4
<b>Disabled adult child</b>	600	55.5	4,313	4.0
<b>NSTW month before entry</b>	535	82.6	10,487	24.7

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10 and annual IRS earnings data. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

Average annual earnings in 2010 among all WIPA enrollees with earnings were \$6,736 but varied substantially across personal characteristics, and in expected ways (Table VI.1). SSI-only recipients had much lower average earnings than DI-only beneficiaries (\$5,145 versus \$7,980), and although employment rates declined with age, average earnings increased substantially. For example, average earnings for those under age 24 were \$4,643 compared with \$7,340 among WIPA enrollees age 55 and over. Those with education beyond high school had higher earnings than others, as did those with higher monthly SSA benefits at entry. Although beneficiaries with intellectual disabilities were among those with the highest employment rates, their average earnings were among the lowest.

Those under age 25, enrollees with less than a high school level of education, those who came on the rolls before age 18, and DACs had similarly low average earnings; there is likely a large degree of overlap across these groups. Employed WIPA enrollees with monthly SSA benefits greater than \$1,500 at entry and those whose benefits were suspended or terminated because of earnings during the month before WIPA entry had the highest average earnings in 2010—both approximately \$10,500.

The average annual earnings of WIPA enrollees seem low when considered against the level of annual earnings that would be required for beneficiaries to leave the disability rolls—about \$12,000, which is equal to 12 months above the monthly nonblind SGA level of \$1,000. Overall, 8 percent had earnings above the annualized SGA level (Table VI.1). The variation in the percentage with earnings above SGA across personal characteristics follows the pattern observed for average earnings. One exception is the large percentage (17 percent) of beneficiaries with sensory and communication disabilities with earnings above the annualized SGA level. This might partly be because blind individuals are subject to a higher monthly SGA level (\$1,640 rather than \$1,000); these individuals may be more likely to have higher earnings relative to other beneficiaries because their DI benefits cease at a higher level of earnings. Only beneficiaries in NSTW during the month before entry had rates of earning above SGA (24.7 percent) that were higher than those with sensory and communication disabilities.

In Table VI.2, we examine employment rates and annual earnings in 2009 and 2010 overall, by employment status at entry, and by goals at baseline assessment. Overall, more WIPA enrollees had earnings in 2010 than in 2009 (54.8 percent versus 49.2 percent) and average annual earnings were higher in 2010 among those with earnings (\$6,736 versus \$5,720). About one-third (34.4 percent) of WIPA enrollees had no earnings in 2009 or in 2010; nearly 40 percent (38.4 percent) had earnings in both years. The remaining 27 percent had earnings in only one of the years, with a somewhat higher share (16.4 percent) having earnings in 2010 only.

As expected, there was considerable variation in employment outcomes by employment status at WIPA program entry. The large majority of those working at entry (over 80 percent) had earnings in each of 2009 and 2010, with about 75 percent having earnings in both years. Those working at entry also had the highest average annual earnings in both 2009 and 2010. Those considering employment had both the lowest employment rates (34 percent and 36 percent in 2009 and 2010, respectively) and the lowest average earnings (about \$4,600 in each year). This group was also the most likely to have no earnings in either 2009 or 2010 (51.2 percent). There was less variation in employment outcomes across subgroups of beneficiaries defined by their goals. As might be expected, those with education goals were somewhat less likely than others to have earnings, and had lower average earnings in both years.



Table VI.2. Employment and Earnings in 2009 and 2010

	Employment Status at Entry				Goals at Baseline Assessment			
	All	Considering Employment	Working/ Self-Employed	Looking For Work/ Offer Pending	Has Employment Goal	Has Education Goal or Is Pursuing Education	Has Benefit Reduction or Cessation Goal	No Goals or Baseline Assessment
<b>Number</b>	11,277	2,780	3,213	4,990	7,667	2,443	2,512	2,995
<b>Percent of Sample</b>	100.0	24.7	28.5	44.2	68.0	21.7	22.3	26.6
<b>Employment and Earnings in 2009</b>								
Number with earnings	5,547	944	2,623	1,861	3,845	1,104	1,181	1,443
Percent with earnings	49.2	34.0	81.6	37.3	50.1	45.2	47.0	48.2
Average annual earnings among those with any earnings	\$5,720	\$4,586	\$6,516	\$5,103	\$5,693	\$4,680	\$5,840	\$5,948
Median annual earnings among those with earnings	\$3,072	\$1,481	\$4,524	\$2,052	\$3,107	\$2,048	\$3,101	\$3,325
<b>Employment and Earnings in 2010</b>								
Number with earnings	6,181	1,004	2,768	2,302	4,403	1,218	1,372	1,516
Percent with earnings	54.8	36.1	86.2	46.1	57.4	49.9	54.6	50.6
Average annual earnings among those with any earnings	\$6,736	\$4,664	\$8,489	\$5,477	\$6,744	\$5,849	\$7,867	\$6,724
Median annual earnings among those with earnings	\$4,377	\$2,180	\$6,676	\$2,943	\$4,432	\$3,371	\$4,599	\$4,354
<b>Employment in 2009 and 2010 (%)</b>								
No earnings either year	34.4	51.2	7.1	41.7	32.3	37.6	35.0	38.1
Earnings in 2009 only	10.8	12.7	6.7	12.1	10.3	12.5	10.4	11.3
Earnings in 2010 only	16.4	14.9	11.2	21.0	17.5	17.2	18.0	13.7
Earnings in both years	38.4	21.2	74.9	25.2	39.9	32.7	36.7	36.9

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10 and annual IRS earnings data. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

In Table VI.3, we look at the subgroup of WIPA enrollees who entered services in 2009 and who had employment goals recorded at the baseline assessment. We focus on this group to see how their annual earnings changed from 2009 to 2010 after entry into the WIPA program, specifically among those who articulated employment goals. Because outcomes are likely to vary by employment status at entry in 2009, we also show earnings outcomes by employment status at entry. Overall, the percentage with earnings increased by just 1.3 percentage points from 2009 to 2010, and average annual earnings among those with earnings increased by \$1,487, or 29 percent. The largest increase in the percentage with earnings (5.4 percentage points) occurred among those who were looking for work or had a job offer pending at entry. Those already working at entry experienced a similar decline in employment between 2009 and 2010 (5.5 percentage points), but experienced the largest increase in average annual earnings (\$2,076 or 34 percent).<sup>24</sup> It is important to recognize that positive changes in employment and annual earnings from 2009 to 2010 do not necessarily represent positive effects of WIPA services, because we do not know what these outcomes would have been in the absence of WIPA services.

**Table VI.3. Employment and Earnings of Those with Employment Goals Who Entered WIPA in 2009**

	Employment Status at Entry			
	All	Considering Employment	Working/Self-Employed	Looking For Work/ Offer Pending
Number	3,575	873	1,097	1,597
Percent of Sample	100.0	24.4	30.7	44.7
<b>Employment and Earnings in 2009</b>				
Number with earnings	1,963	321	989	648
Percent with earnings	54.9	36.8	90.2	40.6
Average annual earnings among those with any earnings	\$5,105	\$4,374	\$6,170	\$3,870
<b>Employment and Earnings in 2010</b>				
Number with earnings	2,011	344	929	734
Percent with earnings	56.3	39.4	84.7	46.0
Average annual earnings among those with any earnings	\$6,593	\$4,720	\$8,246	\$5,394
<b>Change from 2009 to 2010</b>				
Change in percent with earnings	1.3	2.6	-5.5	5.4
Change in overall average earnings	\$1,487	\$346	\$2,076	\$1,524
<b>Employment in 2009 and 2010 (%)</b>				
No earnings either year	32.2	47.4	6.5	41.5
Earnings in 2009 only	11.6	13.2	8.8	12.6
Earnings in 2010 only	12.9	15.8	3.4	18.0
Earnings in both years	43.3	23.6	81.3	28.0

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10 and annual IRS earnings data. Sample includes WIPA enrollees with entry dates between October 1, 2009, and December 31, 2009, and who were SSI or DI beneficiaries at entry, matched to the abbreviated TRF10, and had employment goals at the baseline assessment.

<sup>24</sup>Note that about 10 percent of those who reported that they were working at WIPA program entry in 2009, had no earnings recorded in the 2009 IRS data. This could be because beneficiaries misreported their employment status, CWTICs inaccurately recorded their status in ETO, or because earnings were not reported to the IRS.

## B. Multivariate Analyses

To analyze the relationship between employment outcomes and WIPA services received by beneficiaries, we produced a set of multivariate regression models estimating the likelihood of WIPA enrollees having any earnings in 2010, and models of changes in the level of annual earnings from 2009 to 2010. These models included generally the same set of explanatory variables included in the regression models described in Chapter V, which primarily represent personal characteristics likely to be associated with employment and earnings. In addition, variables reflecting WIPA service hours and particular employment-related suggestions made by CWICs were included to specifically analyze how WIPA services are related to employment outcomes, after controlling for other personal characteristics.

In what follows, we describe the general findings of these models, focusing on those relevant to WIPA services. Detailed estimates from the regression models are provided in Appendix C.

### 1. Likelihood of Earnings in 2010

We first estimated a general model of the likelihood of having any earnings in 2010 among all sample members, regardless of entry date (Appendix Table C.1). Many of the findings with respect to the personal characteristics are consistent with the descriptive findings presented in Section A. With other characteristics held constant, younger beneficiaries were more likely to have earnings than older beneficiaries, females were more likely than males to have earnings, and DI-only beneficiaries were more likely than others to have earnings, as were those with intellectual disabilities, those who were working or looking for work at entry, and those with an employment goal. DACs were significantly less likely to have earnings compared with others, as were those with education goals at intake. A few variables were significant in the regression model but did not stand out in the descriptive statistics. In addition to those with intellectual disabilities, those with psychiatric conditions were significantly more likely to have earnings in 2010, relative to beneficiaries with other primary diagnoses, and those with a high school level of education were significantly less likely to have earnings than others. Although clear patterns are apparent in the descriptive statistics, time since initial eligibility for disability benefits and the level of SSA benefits were not significant predictors of having earnings, after controlling for other characteristics. In a similar model estimated only for sample members under age 30 (Appendix Table C.2), far fewer characteristics are significantly associated with earnings, but those that are significant are consistent with the model estimated for the full sample. In addition, younger beneficiaries with representative payees were significantly less likely than others to have earnings, and those on the rolls for less than 24 months and for 60 to 119 months were significantly less likely to have earnings in 2010 relative to others.

WIPA service intensity was significantly associated with the likelihood of having earnings in 2010. In all models, those receiving more than six hours of WIPA services were significantly more likely than those receiving less than three hours to have earnings. Those with three to six hours of service were also more likely than those with fewer service hours to have earnings in the full sample model. This relationship might reflect more intensive WIPA services having a positive effect on employment, but it might also indicate that those who are working require more WIPA services and CWICs are focusing their efforts on those individuals.

To explore whether CWIC suggestions to beneficiaries to seek employment or take job offers were significantly associated with the likelihood of having earnings in 2010, we estimated a model of the likelihood of earnings in 2010 among all WIPA enrollees who entered the program during calendar year 2009 and who were not employed at entry (Appendix Table C.3). Thus, any earnings

observed in the 2010 annual IRS data would represent new employment and earnings occurring after WIPA program entry. Somewhat surprisingly, the variable representing CWIC suggestions to seek employment or take a job was significant and *negatively* associated with having earnings in 2010. In other words, those to whom CWICs made suggestions to look for employment were significantly less likely to work in 2010, after holding other personal characteristics constant. We do not believe these findings indicate that CWIC suggestions had a negative impact on employment. Rather, we think that CWICs were more likely to make such suggestions to those who were less interested in employment in the near term. It is unlikely that CWICs would need to prompt beneficiaries already motivated to work with suggestions to seek employment, so they probably only made such a suggestion to those who were good employment candidates but who were in earlier stages of employment readiness. Although we controlled for employment goals and for whether these nonworking beneficiaries were actively seeking employment at entry, these and other variables included in the model likely do not fully reflect and control for individual motivation and readiness to find a job.

Similar to the findings of the models already described, those receiving more hours of WIPA services were significantly more likely to have earnings in 2010. As with the similar findings for those using SSA work supports, we cannot necessarily attribute the greater likelihood of earnings to greater use of WIPA services; those who would have worked in the absence of WIPA services might be more likely to use more WIPA services (or WIPAs may be more willing to provide more intensive services to them) by virtue of their employment status. The findings with respect to WIPA service hours and CWIC suggestions to seek employment or take a job offer were significant and consistent with the findings already described in models estimated separately for those under age 30, DI beneficiaries, and SSI recipients (Appendix Tables C.4–C.6).

## 2. Changes in Annual Earnings 2009–2010

### a. Likelihood of an Increase in Earnings

To explore whether there was any significant relationship between WIPA services (service hours and CWIC suggestions) and changes in annual earnings between 2009 and 2010, we first estimated a model of the likelihood of experiencing an earnings increase from 2009 to 2010 among all WIPA enrollees who entered WIPA services in calendar year 2009 (Appendix Tables C.7–C.10). We limited the analysis to this group so that any changes in earnings observed in 2010 would represent those occurring after entry into WIPA services.

Among the characteristics that were significantly associated with experiencing an increase in annual earnings, after holding other characteristics constant, were the following: younger beneficiaries were more likely to experience an increase; females were more likely to experience an increase in earnings than males; and DI-only beneficiaries, those with musculoskeletal conditions and mental retardation, and those employed or looking for work at entry were more likely than others to experience an earnings increase. WIPA enrollees with education goals and those with a high school level of education were significantly less likely to experience an increase in annual earnings in 2010. Similar to other analyses presented in this report, those receiving more WIPA service hours were significantly more likely to experience an earnings increase in 2010.

With respect to CWIC suggestions, similar to the analyses of the likelihood of employment, the variable representing CWIC suggestions to look for a job or take a job offer is significant and negatively associated with experiencing an annual earnings increase from 2009 to 2010. For the reasons already discussed, we think this finding is due to CWICs making such suggestions to those

who were least likely to become employed. The variable reflecting CWIC suggestions to increase work hours or seek a promotion is significant and positively associated with the likelihood of experiencing an increase in earnings between 2009 and 2010. As with other findings presented in this report, we cannot necessarily interpret this to mean that the CWIC suggestions were instrumental in causing the increase in earnings. CWICs may have made this suggestion primarily to those already predisposed to increase their earnings in the absence of WIPA services. All we can conclude is that there is a significant association in the direction we might expect after controlling for other characteristics.

The findings with respect to both types of CWIC suggestions were consistent in the earnings increase models we estimated separately for individuals under age 30, DI beneficiaries, and SSI recipients.

It is important to note that the findings presented here and in the next section might be affected by the fact that we used annual IRS earnings data and focused on beneficiaries who enrolled in the WIPA program during the last quarter of 2009 (between October 1 and December 31). If beneficiaries enrolled in the WIPA program shortly before or after they began working, then the annual IRS data will only reflect earnings during the last few months of 2009, but will reflect the earnings of these working beneficiaries in all 12 months of 2010. Thus, the findings might overstate the relationships between WIPA service use and earnings changes simply because of the annual nature of the IRS data, the timing of when beneficiaries sought WIPA services relative to when they become employed, and because we analyzed a group that entered WIPA services late in 2009.

#### **b. Changes in the Level of Annual Earnings**

To further explore the relationship between CWIC suggestions and changes in earnings, we estimated an ordinary least-squares regression model of the change in annual earnings from 2009 to 2010, where the dependent variable is equal to 2010 earnings minus 2009 earnings (see Appendix Table C.11). The model was estimated for those who entered WIPA services in calendar year 2009 so that the earnings changes observed would represent those occurring after WIPA service entry. Along with the control variables included in the other regressions, we included two variables representing CWIC suggestions: suggested increasing hours or seeking a promotion, and suggested earning enough to leave benefits. In this model, the suggestion to increase hours or seek a promotion was not a significant predictor of annual earnings changes from 2009 to 2010, as it was in model described in the previous section. This was also true in models we estimated separately for those under age 30, DI beneficiaries, and SSI recipients. The CWIC suggestion to earn enough to leave benefits was significant and positively associated with higher earnings in 2010 compared with 2009. In other words, those to whom CWICs suggested earning enough to leave benefits experienced greater increases in annual earnings from 2009 to 2010 than did other WIPA enrollees. However, this significant association persisted only in the model estimated separately for DI beneficiaries, and not in the models estimated for those under age 30 or SSI recipients. As with other findings with respect to WIPA suggestions, we cannot interpret this to mean that the suggestion caused the beneficiaries to increase their earnings. We can only conclude is that there is a significant association, after controlling for other characteristics that might be suggestive of WIPA influence on employment outcomes.

Another finding of interest from the annual earnings change models is a variable we included to represent beneficiaries whose SSA benefits were suspended or terminated because of earnings during the month before WIPA entry in 2009. Other characteristics held constant, this variable is significant and has a negative relationship with annual earnings changes from 2009 to 2010. This

finding might reflect volatility in the earnings of beneficiaries, a volatility that has been found in other studies of beneficiary employment (Livermore et al. 2010; Stapleton et al. 2010). Some of those with earnings high enough to have SSA benefits cease before WIPA program entry might experience difficulty sustaining a high level of earnings over an extended period, and might be seeking WIPA assistance because their employment is in jeopardy.

## VII. BENEFIT REDUCTIONS AND CESSATIONS DUE TO WORK

In this chapter, we present information on the extent to which the SSA benefits of WIPA enrollees were reduced and ceased entirely because of earnings. We first present descriptive statistics on benefit reductions and cessations due to work during the nine months following entry into the WIPA program. We then present the findings of multivariate models of the likelihood of benefit cessation at any time between WIPA program entry and December 31, 2010, the last month for which data on SSA benefit receipt are available.

### A. Descriptive Statistics

#### 1. Benefits Forgone for Work

To analyze the extent to which benefits were reduced because of earnings among WIPA enrollees, we developed a measure of Benefits Forgone for Work (BFFW). For working beneficiaries, BFFW is equal to the difference between the amount of benefits that would have been paid to a beneficiary if the beneficiary had no earnings and the amount that was actually paid; for all others, BFFW is zero. For DI beneficiaries, benefits are only reduced after a beneficiary completes the TWP and continues to work and earn above the SGA level. Thus, for this analysis, each month that DI benefits are suspended or terminated because of earnings is considered a month with benefits forgone.<sup>25</sup> The benefit paid in the last month before the suspension or termination occurred is counted as the amount forgone.<sup>26</sup>

For SSI recipients, each month during which SSI payments are completely suspended or terminated because of earnings is also considered a month with benefits forgone. To determine the amount forgone in these months, we use information on unearned income from the last month in which the beneficiary received an SSI payment to estimate the payment they would have received in the BFFW month if they had no earned income (and had the same level of unearned income as before). For this estimate, we take the difference between the maximum individual SSI payment in the BFFW month and the beneficiary's countable unearned income (half of unearned income, minus any deductions or exclusions) for the most recent month when an SSI payment was made, and consider this value to be the amount forgone due to earnings.

In addition to a complete suspension or termination of payments, SSI recipients can partially forego SSI payments due to earnings because SSI payments are reduced by \$1 for every \$2 of earnings after a \$65 earned income disregard and possibly other disregards (for example, the \$20 general income disregard and IRWE). In such cases, we calculated the amount foregone as the amount of "countable earned income." The countable earned income variable recorded in the TRF10 is equal to one-half of the remaining monthly earnings after all earnings disregards have been applied. Thus, we assumed that the SSI payment was reduced by the amount of countable earned income, and that is the amount forgone because of earnings.

<sup>25</sup> Benefit suspension or termination because of earnings is determined based on a constructed variable in the TRF10 reflecting this status.

<sup>26</sup> If the last payment was made in a previous year, the amount is adjusted to reflect increases in benefit amounts. While there was no cost of living adjustment to benefits between 2009 and 2010, the most recent payment for some sample members was made in an earlier year, making the adjustment necessary in some cases.

In some cases, a beneficiary was not paid a benefit in the last month before benefits were reduced, suspended, or terminated due to earnings. For example, this can occur if the beneficiary had high unearned income, was institutionalized, or had received an overpayment in previous months. In these cases, we consider months with countable earned income or benefits suspended or terminated for work as months with benefits forgone, but calculated the amount forgone as zero.

Most WIPA enrollees did not experience any BFFW months during the nine months following WIPA program entry (Table VII.1); overall, about 16 percent experienced such reductions in at least one month. Those employed at entry (33.5 percent) were much more likely than others to experience at least one BFFW month during the nine months following entry, as were those with a benefit reduction goal (22.4 percent). Those considering employment (7.5 percent) and looking for work at entry (8.5 percent) were least likely to experience at least one BFFW month. Although the likelihood of having a BFFW month varies substantially across the groups, conditional on having one such month, the average number of BFFW months during the nine months after entry did not vary markedly across the groups. Overall, the mean number of BFFW months was 4.3, ranging from a low of 3.8 among those looking for work at entry to a high of 4.6 among those employed at entry.

During BFFW months, WIPA enrollees experienced an average benefit reduction of \$229. The average benefit reduction was substantially higher among those with benefit reduction and cessation goals (\$275 and \$328, respectively). The average monthly benefit reduction during BFFW months was lowest among those looking for work at entry (\$178). Total average benefit reductions followed a similar pattern. On average, WIPA enrollees with at least one BFFW month experienced a total benefit reduction of \$986 during the nine months after WIPA program entry. Average total benefit reductions were highest for those with benefit reduction (\$1,161) and cessation (\$1,360) goals, and lowest for those looking for work at entry (\$672).

In total, we estimate that our sample of WIPA enrollees experienced \$1,723,464 in benefit reductions due to earnings during the nine months after WIPA program entry. This level of benefit reduction might seem modest in light of the \$23 million that SSA spends on the WIPA program each year, but it is important to note that the sample studied here represents a small group of beneficiaries who enrolled in WIPA services during a six-month period, and accounts for benefit reductions during only a short window of time after entry. When we convert the nine-month savings estimate into an annual estimate for a 12-month cohort of WIPA enrollees, the amount is equal to \$4,308,660, or about 19 percent of the annual WIPA program costs.<sup>27</sup> While still modest, one should keep in mind that significant savings can accrue to SSA over time when beneficiaries reduce their benefits and leave the rolls because of earnings for extended periods.

<sup>27</sup> The annualized benefit reduction for a 12-month cohort is calculated as the 9-month benefit reduction amount for the six-month cohort analyzed (\$1,723,464) multiplied by 1.25 to represent a full year, and then multiplied by two to represent a 12-month cohort. This figure assumes that the average monthly benefit reductions observed during the nine months analyzed would be the same for a full 12 months, and that additional six month of WIPA enrollees would be equal in number to the six-month cohort analyzed and have average benefit reductions in the amounts observed for that cohort.



Table VII.1. SSA Benefit Reductions Because of Earnings During the Nine Months Following WIPA Program Entry

	Employment Status at Entry					Goals at Baseline Assessment				
	All	Considering Employment	Working/Self-Employed	Looking for Work/Offer Pending		Has Employment Goal	Has Education Goal or Is Pursuing Education	Has Benefit Reduction Goal	Has Benefit Cessation Goal	No Goal or No Baseline Assessment
Number	11,277	2,780	3,213	4,990		7,667	2,443	2,411	1,414	2,995
Percent of sample	100.0	24.7	28.5	44.2		68.0	21.7	21.4	12.5	26.6
Percent with at least one BFFW month during 9 months after entry	15.5	7.5	33.5	8.7		16.0	13.6	22.4	18.5	15.0
Number of BFFW months during 9 months after entry (%)										
0	84.5	92.5	66.5	91.3		84.0	86.4	77.6	81.5	85.0
1 to 3	8.9	4.2	18.9	5.4		9.1	8.1	13.1	10.8	8.7
4 to 6	1.7	1.3	2.6	1.4		1.8	1.7	2.6	2.1	1.6
7 to 9	4.9	2.1	12.1	1.9		5.2	3.8	6.7	5.6	4.7
Mean number of BFFW months among those with one or more BFFW months	4.3	4.1	4.6	3.8		4.4	4.1	4.2	4.2	4.2
Mean monthly benefit reduction during BFFW months	\$229	\$218	\$248	\$178		\$225	\$242	\$275	\$328	\$230
Mean total benefit reduction during 9 months after entry among those with any BFFW months	\$986	\$894	\$1,128	\$672		\$987	\$993	\$1,161	\$1,360	\$976

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

## 2. Benefit Suspension or Termination Due to Work

An ultimate goal of TTW and the other SSA work supports is to help beneficiaries achieve a level of earnings that eliminates their dependence on SSI and DI benefits. However, leaving the rolls because of earnings is generally an infrequent occurrence. For example, Schimmel and Stapleton (2011) found that about 0.8 percent of all SSI and DI beneficiaries ages 18 to 64 experienced their first month in nonpay status due to benefit suspension or termination for work in each year from 2002 to 2006.

In Table VII.2 we present statistics on the percentage of WIPA enrollees who were in NSTW for at least one month between WIPA program entry and the end of December 2010. Overall, 6.9 percent of the sample experienced an NSTW month by the end of 2010, or nine to 15 months after WIPA program entry. The percentage with an NSTW month varies considerably by personal characteristics. Percentages are highest for concurrent beneficiaries (20.9 percent),<sup>28</sup> those ages 25-29 (14.9 percent), and those who first came on the disability rolls between age 18 and 24 (12.7 percent). DI-only beneficiaries, those with monthly SSA benefits exceeding \$1,500, those on the disability rolls for less than 24 months, and those who were age 55 or older when they first became eligible for disability benefits have the lowest NSTW rates, all at about three percent or less. These findings are not surprising for several reasons: the DI work incentives make it unlikely that DI-only beneficiaries would leave the rolls within two years of starting work; those on the rolls for fewer than 12 months would jeopardize their eligibility for SSI and DI if they worked above SGA, and DI beneficiaries on the rolls for fewer than 24 months would jeopardize their eligibility for Medicare; there is a greater opportunity cost of leaving the rolls for those with high disability benefits; and older individuals are both more likely to be DI beneficiaries and to have higher benefits, but also might be less able or inclined to work as they approach retirement age. Among those who were in NSTW during the month before they began WIPA services, about 91 percent had at least one additional NSTW month after entering WIPA services.

In Table VII.3, we present additional NSTW statistics for subgroups defined by employment status at entry and goals, and differentiated by whether they were in NSTW during the month before WIPA entry. NSTW percentages were highest among those who were working or self-employed at intake (14.8 percent) and among those with a benefit cessation goal (9.8 percent). Most sample members with NSTW months experienced either very few months of NSTW (1 to 3) or else were in NSTW for most of the nine-month period (7 to 9 months). Those with at least one month of NSTW spent an average of four months suspended or terminated for work. This did not vary markedly across the employment status and goal groupings.

Not surprisingly, the large majority of those in NSTW during the month before WIPA program entry experienced at least one NSTW month during the nine months after entry (90.7 percent). This group represented the majority (about 68 percent) of the 7 percent of WIPA enrollees in our sample who experienced at least one NSTW month during the nine months following program entry. There was large variation in this likelihood across the employment status and goal subgroups, but the small

<sup>28</sup> In computing the NSTW rates shown in Table V.2, we counted concurrent beneficiaries as NSTW if they were NSTW for either the DI or SSI program. Program-specific NSTW rates for concurrent beneficiaries were: 20.9 percent for either SSI or DI; 20.5 percent for SSI; 1.7 percent for DI; and 1.8 percent for both SSI and DI.

Table VII.2. Percent with NSTW at Least One Month After WIPA Entry Through December 2010

	Number	Percentage With at Least One NSTW Month After WIPA Program Entry Through December 2010
All	11,277	6.9
<b>Program status at entry</b>		
SSI-only	2,810	4.2
Concurrent	2,837	20.9 <sup>a</sup>
DI-only	5,630	2.3
<b>Sex</b>		
Male	5,774	7.3
Female	5,503	7.6
<b>Age</b>		
Less than 25	1,637	5.5
25 to 29	932	14.9
30 to 34	862	10.4
35 to 39	1,044	8.7
40 to 44	1,301	9.3
45 to 54	3,365	6.4
55 and over	2,136	4.2
<b>Education</b>		
Less than high school	948	6.3
High school or equivalent	3,132	9.2
More than high school	3,112	7.0
Unknown	4,085	6.6
<b>Primary diagnosis</b>		
Mental illness	4,984	8.1
Musculoskeletal	1,424	5.8
Mental retardation	1,322	9.8
Sensory/communication	548	9.1
Other nervous system	724	5.9
Other	2,275	5.6
<b>Monthly SSA benefit at entry</b>		
Less than \$500	3,218	8.4
\$500-\$999	4,308	10.4
\$1,000-\$1,500	2,336	3.9
More than \$1,500	1,415	2.1
<b>Months since initial disability eligibility</b>		
Less than 24	1,525	3.2
24 to 59	2,159	5.2
60 to 119	2,561	7.2
120 or more	5,031	9.8
<b>Age at initial disability eligibility</b>		
Less than 18	1,951	9.3
18 to 24	2,133	12.7
25 to 34	2,379	7.4
35 to 44	2,252	5.1
45 to 54	1,765	4.4
55 and over	795	2.0
<b>Representative payee</b>	3,383	9.5
<b>Disabled adult child</b>	600	5.7
<b>NSTW month before entry</b>	535	90.7

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10 and IRS earnings data. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

<sup>a</sup> Concurrent beneficiaries are counted as NSTW in the statistics shown if they are NSTW for either DI or SSI.

Table VII.3. NSTW Months During the Nine Months Following WIPA Program Entry

	Employment Status at Entry				Goals at Baseline Assessment				
	All	Con-Sidering Employment	Working/Self-Employed	Looking For Work/ Offer Pending	Has Employment Goal	Has Education Goal or is Pursuing Education	Has Benefit Reduction Goal	Has Cessation Goal	No Goal or No Baseline Assessment
All									
Number	11,277	2,780	3,213	4,990	7,667	2,443	2,411	1,414	2,995
Percent of sample	100.0	24.7	28.5	44.2	68.0	21.7	21.4	12.5	26.6
Percent with at least one NSTW month during 9 months after entry	6.9	3.5	14.8	3.6	7.0	5.4	8.6	9.8	7.3
WIPA Enrollees NSTW Month Before Entry									
Number	93.1	96.5	85.2	96.3	93.0	94.6	91.4	90.2	92.8
Percent of sample	4.0	1.9	8.4	2.2	4.0	3.0	5.0	5.7	4.4
Percent with at least one NSTW month during 9 months after entry	0.7	0.4	1.4	0.4	0.7	0.6	1.2	1.4	0.6
Mean number of NSTW months among those with one or more	2.2	1.2	4.9	1.1	2.3	1.8	2.4	2.7	2.3
	4.0	3.9	4.2	3.6	4.0	4.1	3.7	3.7	3.9
WIPA Enrollees NOT NSTW Month Before Entry									
Number	535	54	347	121	376	92	138	86	141
Percent of sample	4.7	0.5	3.1	1.1	3.3	0.8	1.2	0.8	1.3
Percent with at least one NSTW month during 9 months after entry	90.7	94.4	91.6	84.1	89.6	91.3	87.0	93.0	95.3
WIPA Enrollees NSTW Month Before Entry									
Number	9.3	5.6	8.4	14.9	10.4	8.7	13.0	7.0	5.7
Percent of sample	51.4	53.7	50.4	52.1	48.7	47.8	50.0	54.7	59.6
Percent with at least one NSTW month during 9 months after entry	5.2	0.0	5.8	5.0	6.1	7.6	8.0	8.1	3.5
Mean number of NSTW months among those with one or more	34.0	40.7	35.4	28.1	34.8	35.9	29.0	30.2	31.2
	4.7	4.9	4.8	4.3	4.8	4.8	4.5	4.4	4.2
WIPA Enrollees NOT NSTW Month Before Entry									
Number	10,742	2,726	2,866	4,869	7,291	2,351	2,273	1,328	2,854
Percent of sample	95.3	24.2	25.4	43.2	64.7	20.8	20.2	11.8	25.3
Percent with at least one NSTW month during 9 months after entry	2.7	1.7	5.5	1.7	2.7	2.0	5.9	4.4	2.9

Table VII.3 (continued)

	Employment Status at Entry				Goals at Baseline Assessment				
	All	Con- sidering Em- ploy- ment	Work- ing/ Self- Employed	Looking For Work/ Offer Pending	Has Em- ploy- ment Goal	Has Education Goal or is Pursuing Education	Has Benefit Reduction Goal	Has Benefit Cessation Goal	No Goal or No Baseline Assess- ment
Number of NSTW months during 9 months after intake (%)									
0	97.3	98.3	94.5	98.3	97.3	98.0	96.1	95.6	97.1
1 to 3	1.6	0.9	3.3	1.0	1.7	1.2	2.3	2.5	1.6
4 to 6	0.5	0.4	0.9	0.2	0.5	0.3	0.8	1.0	0.5
7 to 9	0.6	0.4	1.3	0.4	0.6	0.4	0.7	0.9	0.8
Mean number of NSTW months among those with one or more	3.0	3.0	3.2	2.9	2.9	3.0	2.9	2.9	3.4

Source: April 2011 WIPA ETO data matched to the abbreviated TRF10. Sample includes WIPA enrollees with entry dates between October 1, 2009, and March 31, 2010, who were SSI or DI beneficiaries at entry, and matched to the abbreviated TRF10.

sample sizes for these groups likely contributed to that variation. The mean number of NSTW months for this group (4.7) was somewhat higher than the full sample average (4.0).

Among sample members who were not NSTW during the month before WIPA program entry, 2.7 percent experienced at least one NSTW month during the nine months after WIPA program entry. Although small in absolute terms, this percentage is much higher than the 0.8 percent of beneficiaries who newly experience NSTW during a calendar year reported by Schimmel and Stapleton (2011). Not surprisingly, those working at entry were much more likely (5.5 percent) to experience NSTW, compared with others. Those with benefit reduction and cessation goals also were much more likely to have at least one NSTW month (5.9 percent and 4.4 percent, respectively). Mean number of NSTW months among those experiencing at least one such month was 3.0 overall and did not vary substantially across the subgroups.

## B. Multivariate Analyses

To analyze the relationship between WIPA services received by beneficiaries and the likelihood that beneficiaries left disability benefits because of earnings, we produced a set of multivariate regression (logit) models estimating the likelihood that WIPA enrollees were in NSTW during any month after WIPA program entry through December 2010. The models were estimated on the full sample of WIPA enrollees but included a control variable for NSTW during the month before WIPA program entry.<sup>29</sup> The NSTW models included generally the same set of explanatory variables included in the regression models described previously, which represent personal characteristics likely to be associated with employment, earnings, and benefit cessations. In addition, variables reflecting WIPA service hours and CWIC suggestions for beneficiaries to earn enough to leave the rolls were included to specifically analyze how WIPA services are related to benefit cessations due to work, after controlling for other personal characteristics.

The regression model estimates are provided in Appendix D (Appendix Tables D.1–D.4). Other characteristics held constant, WIPA enrollees ages 25–29 and 40–44 were significantly more likely than others to have at least one NSTW month, as were concurrent beneficiaries, those with education beyond high school, those with low monthly SSA benefits (less than \$500), those who were employed at WIPA program entry, and those who were in NSTW during the month before entering WIPA services. DACs, those on the disability rolls for less than five years, and beneficiaries with education goals were significantly less likely than others to have at least one NSTW month.

With respect to the WIPA service variables included in the model, as in other analyses, enrollees receiving more than six hours of WIPA services were significantly more likely than others to have an NSTW month. We also find that beneficiaries to whom CWICs suggested earning enough to leave benefits were significantly more likely to have NSTW months than other beneficiaries. This finding persists in models estimated separately for DI beneficiaries and SSI recipients, but is not replicated in the model estimated for those under age 30. As with similar findings discussed in this report with respect to WIPA suggestions, we cannot interpret this to mean that the CWIC suggestion caused a change in the percentage with NSTW months. We can only conclude that there is a significant

<sup>29</sup> We also estimated models for the sample of WIPA enrollees who were not in NSTW during the month before WIPA entry (and excluding the NSTW control variable). The findings did not differ substantively from those of the models presented in Appendix D.

association after controlling for other characteristics that might be suggestive of WIPA influence on the likelihood of at least one NSTW among WIPA enrollees.

### VIII. CONCLUSIONS

The primary objective of the WIPA program is to assist SSA beneficiaries with transitioning from dependence on public benefits to paid employment and greater economic self-sufficiency. Several findings of our analysis suggest that the WIPA programs are meeting this objective to some extent. First, the majority (about 75 percent) of beneficiaries who enroll in WIPA services are employed or actively seeking employment at the time they first enter services. Thus, WIPA services are largely being provided to the beneficiaries targeted by the program, and more than half (55 percent) of those receiving services have earnings at some point during the nine to 15 months following service entry. Second, some of the findings suggest that WIPA services might be associated with positive employment outcomes, although they are far from definitive:

- Other characteristics held constant, receipt of more-intensive WIPA services (as measured by hours of service) is significantly associated with a greater likelihood of using all of the SSA work supports examined, and CWIC discussion of TWP and PASS with WIPA enrollees is significantly associated with greater use of those supports.
- 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.
- 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.

As emphasized throughout the report, in interpreting the findings it is important to keep in mind that the significant relationships noted above do not necessarily mean that WIPA services *caused* the observed changes in work support use, employment, and benefit reductions. It may be that CWICs were more likely to discuss work supports and make employment-related suggestions to those already most likely to become employed. The finding that CWIC suggestions for nonworking beneficiaries to seek employment are significantly and negatively associated with the likelihood of employment in 2010 is a prominent example of how selection might be affecting the findings. We do not interpret this finding to mean that the CWIC suggestions *caused* beneficiaries to not be employed, rather, we think that the suggestions were being made to those who needed more prompting and who were less likely to work even in the absence of WIPA services. In all cases, we do not know what WIPA enrollees would have done in the absence of WIPA services; it is likely that many would have experienced the same employment outcomes with or without WIPA services. The findings are only suggestive of the possibility that WIPA services have a positive impact on employment outcomes.

It is also important to keep in mind that we were able to follow WIPA enrollees for only a short period of time. We observed their use of work supports, employment, and benefit cessations in the administrative data covering a period following WIPA program entry of between nine and 15 months, depending on when they first entered WIPA services. As noted previously, this is a relatively short period of time given what might be required for some nonworking beneficiaries to



prepare for and find suitable employment and to begin working at levels that would make their use of many of the SSA work supports relevant. The fact that many were able to do so in a relatively short period of time is an encouraging finding.

In total, we estimated that our sample of WIPA enrollees experienced \$1,723,464 in benefit reductions due to earnings during the nine months after WIPA program entry. When we convert this estimate into an annual amount for a 12-month cohort of WIPA enrollees, it is equal to \$4,308,660, or about 19 percent of the \$23 million in annual WIPA program costs. While these savings might seem modest, it is also the case that significant savings can accrue to SSA over time when beneficiaries reduce their benefits and leave the rolls because of earnings for extended periods.

Finally, it is important to keep in mind that while the emphasis of the WIPA program is to promote employment and facilitate greater self-sufficiency, employment may not necessarily be a realistic near-term goal for all beneficiaries seeking WIPA services, and although WIPAs provide information and assistance to facilitate work, their services are not intended to address every potential barrier to employment experienced by beneficiaries. Beneficiaries who want to work face formidable obstacles, including poor health, low levels of education, poverty, discrimination, lack of accommodations, and a variety of work disincentives inherent in the SSA and other public assistance programs. In light of these, the assistance provided by WIPA programs might seem insignificant in terms of its potential contribution to employment success. But we cannot underestimate the need for information and for resources to help beneficiaries make informed choices. The rules governing how earnings affect SSI and DI benefits are extremely complicated and fear of losing benefits is often cited as an employment barrier among work-oriented beneficiaries (Livermore et al. 2009a). Thus, resources like the WIPA programs have an important place in the arsenal of supports available to SSI and DI beneficiaries who want to work.

## REFERENCES

- Altshuler, Norma, Sarah Prenovitz, Bonnie O'Day, and Gina Livermore. "Provider Experiences under the Revised Ticket to Work Regulations." Washington, DC: Mathematica Policy Research, 2011.
- Bureau of Labor Statistics. "Employment Status and Disability Status, December 2009." Washington, DC: U.S. Department of Labor. Accessed September 12, 2011. Available at: [[http://www.bls.gov/cps/cpsdisability\\_122009.htm](http://www.bls.gov/cps/cpsdisability_122009.htm)].
- Farber, Henry S. "Job Loss in the Great Recession: Historical Perspective from the Displaced Workers Survey, 1984-2010." NBER Working Paper No. 17040. Cambridge, MA: National Bureau of Economic Research, May 2011.
- Kennedy, Lenna, D. "OASDI Beneficiaries and SSI Recipients with Representative Payees." *Social Security Bulletin*, vol. 58, no. 4, 1995.
- Livermore, Gina A. "Wage Reporting and Earnings-Related Overpayments in the Social Security Disability Programs: Status, Implications, and Suggestions for Improvement." Washington, DC: Ticket to Work and Work Incentives Advisory Panel, May 2003.
- Livermore, Gina, and Sarah Prenovitz. "Benefits Planning, Assistance, and Outreach (BPAO) Service User Characteristics and Use of Work Incentives." Report No. 6. In *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2010.
- Livermore, Gina, Allison Roche, and Sarah Prenovitz. "Longitudinal Experiences of an Early Cohort of Ticket to Work Participants." *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations Report No. 9*. Washington, DC: Mathematica Policy Research, 2010.
- Livermore, Gina, Allison Roche, and Sarah Prenovitz. "SSI and DI Beneficiaries with Work-Related Goals and Expectations." Report No. 5. In *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009a.
- Livermore, Gina, Debra Wright, Allison Roche, and Eric Grau. "2006 National Beneficiary Survey: Background and Statistical Tables." *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations Report No. 4*. Washington, DC: Mathematica Policy Research, 2009b.
- O'Day, Bonnie, Allison Roche, Norma Altshuler, Liz Clary, and Krista Harrison. "Process Evaluation of the Work Incentives Planning and Assistance Program." *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations Report No. 1*. Washington, DC: Mathematica Policy Research, 2009.
- Peikes, Deborah, Sean Orzol, Lorenzo Moreno, and Nora Paxton. "State Partnership Initiative: Selection of Comparison Groups for the Evaluation and Selected Impact Estimates." Princeton, NJ: Mathematica Policy Research, October 31, 2005.

- Schimmel, Jody, Bonnie O'Day, Allison Roche, Gina Livermore, and Dominic Harris. "Evaluation of the Work Incentives Planning and Assistance (WIPA) Program: Beneficiaries Served, Services Provided and Program Costs." Washington, DC: Mathematica Policy Research, 2010.
- Schimmel, Jody, and David C. Stapleton. "Disability Benefits Suspended or Terminated because of Work." *Social Security Bulletin*, vol. 71, no. 3, 2011.
- Social Security Administration. "Cooperative Agreements for Work Incentives Planning and Assistance Projects; Program Announcement No. SSA-OFSP-06-1," Baltimore, MD: SSA, 2006.
- Social Security Administration. "Monthly Statistical Snapshot, December 2009." *Social Security Bulletin*, vol. 70, no. 1, 2010.
- Social Security Administration. "Annual Statistical Report on the Social Security Disability Insurance Program, 2010." Baltimore, MD: SSA, 2011.
- Social Security Administration. 2011 Red Book: A Summary Guide to Employment Supports for Persons with Disabilities under the Social Security Disability Insurance and Supplemental Security Income Programs. Baltimore, MD: Social Security Administration, 2011. Available at [<http://www.ssa.gov/redbook/eng/The%20Red%20Book%202011.pdf>].
- Virginia Commonwealth University. "CWIC Training Manual (2010)." Available at [<http://www.vcu-ntc.org/resources/cwicmanual.cfm>].

APPENDIX A  
VARIABLES USED IN THE MULTIVARIATE ANALYSES

## Regression Variables

Throughout this report, we discuss the findings from multivariate analyses using logistical and ordinary least-squares regression models that were conducted to assess the determinants of a number of outcomes related to use of work supports, employment, earnings changes, and benefit cessations due to earnings. In Table A.1, we define the variables that were used in these analyses (presented in Appendices B–D). Unless otherwise noted in Table A.1, all variables used in the regression models were based on data from the abbreviated TRF10.

## Tests of Multicollinearity

For most of the models estimated, a standard set of approximately 40 explanatory variables were included. In some instances, additional or different explanatory variables were included to test specific relationships. Because of the large number of variables included in the models, and because a few of the explanatory variables might be highly correlated with one another, we computed the variance inflation factors (VIFs) to assess the degree to which multicollinearity might be an issue in selected regression models. The VIF measures the impact of collinearity among the explanatory variables in a regression model on the precision of estimates. Typically, a VIF value greater than 10 is of concern, but lower values (such as 2.5 and 5) also have been proposed as more conservative thresholds for indicating potential multicollinearity. Among the original explanatory variables included in most of the regression analyses, only two were identified as being potentially problematic based on their VIF values—the variable representing SSI-only status, and the variable representing monthly SSA benefits of less than \$500. We excluded the SSA benefit variables in selected regressions to minimize the likelihood of multicollinearity.

Table A.1. Variables Used in the Multivariate Regression Analyses

Variable Name	Description	Full Sample Mean
<b>Explanatory Variables</b>		
Age		
Age < 25	= 1 if age less than 25 at intake date; 0 otherwise.	0.15
Age 25-29	= 1 if age 25-29 at intake date; 0 otherwise.	0.08
Age 30-34	= 1 if age 30-34 at intake date; 0 otherwise.	0.08
Age 35-39	= 1 if age 35-39 at intake date; 0 otherwise.	0.09
Age 40-44	= 1 if age 40-44 at intake date; 0 otherwise.	0.12
Age 45-54	= 1 if age 45-54 at intake date; 0 otherwise.	0.30
Omitted = Age 55 +	= 1 if age 55 or greater at intake date; 0 otherwise.	0.19
Education	Based on ETO data	
HS	= 1 if highest level of education is high school diploma or GED; 0 otherwise.	0.28
Beyond HS	= 1 if highest level of education is beyond a high school diploma or GED; 0 otherwise.	0.28
Education unknown	= 1 if highest level of education is unknown; 0 otherwise.	0.36
Omitted = Less than HS	= 1 if highest level of education is less than a high school diploma or GED; 0 otherwise.	0.08
Male	= 1 if male; 0 otherwise.	0.51
Omitted = Female	= 1 if female; 0 otherwise.	0.49
Marital Status	Based on ETO data.	
Married	= 1 if self-reported marital status is married, common law, or domestic partner; 0 otherwise.	0.16
Marital status unknown	= 1 if marital status is unknown; 0 otherwise.	0.17
Omitted = unmarried	= 1 if self-reported marital status is divorced, separated, single, or widowed; 0 otherwise.	0.68
Program		
SSI-only at intake	= 1 if SSI-only beneficiary at intake; 0 otherwise.	0.25
DI-only at intake	= 1 if DI-only beneficiary at intake; 0 otherwise.	0.50
Omitted = Concurrent at intake	= 1 if concurrent beneficiary at intake; 0 otherwise.	0.25
SSI-only at baseline	= 1 if SSI-only beneficiary at baseline assessment; 0 otherwise.	0.25
DI-only at baseline	= 1 if DI-only beneficiary at baseline assessment; 0 otherwise.	0.50
Omitted = Concurrent at baseline	= 1 if concurrent beneficiary at baseline assessment; 0 otherwise.	0.25
DAC	= 1 if disabled adult child as of 12/31/2010; 0 otherwise.	0.05
Representative Payee	= 1 if beneficiary has a representative payee as of 12/31/2010; 0 otherwise.	0.30
Primary Diagnosis		
Psychiatric	= 1 if primary diagnosis at intake equals 2900-2969, 2980-3019, 3030-3139, 3138-3169, or 3195; 0 otherwise.	0.44

Table A.1 (continued)

Variable Name	Description	Full Sample Mean
Musculoskeletal	= 1 if primary diagnosis at intake equals 7100-7200 or 7221-7399; 0 otherwise.	0.13
Intellectual	= 1 if primary diagnosis at intake equals 3170-3194 or 3196-3199; 0 otherwise.	0.12
Sensory/communication	= 1 if primary diagnosis at intake equals 3610-3699, 3780-3789, 3890-3899, or 7840-7849; 0 otherwise	0.05
Other nervous system	= 1 if primary diagnosis at intake equals 3200-3419, 3430-3599, or 3860-3889; 0 otherwise.	0.06
Omitted = Other/unknown	= 1 if primary diagnosis at intake equals 0000-2899, 2970-2979, 3020-3029, 3130-3137, 3420-3429, 3600-3609, 3700-3779, 3790-3859, 3900-7099, 7201-7220, 7400-7839, or 7850-999; 0 otherwise.	0.20
<b>Months Since Earliest Eligibility</b>		
Less than 24 months	= 1 if months since earliest eligibility less than 24 at intake date; 0 otherwise.	0.14
24-59 months	= 1 if months since earliest eligibility equals 24 to 59 at intake date; 0 otherwise.	0.19
60-119 months	= 1 if months since earliest eligibility equals 60 to 119 at intake date; 0 otherwise.	0.23
Omitted = 120 or more months	= 1 if months since earliest eligibility equals or is greater than 120 at intake date; 0 otherwise.	0.45
<b>SSA Benefit at Intake</b>		
SSA benefit < 500	= 1 if SSA benefit in intake month less than \$500; 0 otherwise.	0.29
SSA benefit 500-999	= 1 if SSA benefit in intake month equals \$500 to \$999; 0 otherwise.	0.38
SSA benefit 1,000-1,499	= 1 if SSA benefit in intake month equals \$1,000 to \$1,499; 0 otherwise.	0.21
Omitted = SSA benefit 1,500 or more	= 1 if SSA benefit in intake month equals or is greater than \$1,500; 0 otherwise.	0.13
<b>Employed at Intake</b>	= 1 if beneficiary reported at intake that they were currently working or self employed; 0 otherwise. Based on ETO data.	0.29
<b>Looking for Work at Intake</b>	= 1 if beneficiary reported at intake that they were looking for work or had a pending job offer; 0 otherwise. Based on ETO data.	0.44
<b>Months from Baseline Assessment Through Dec 2010</b>	= number of months between baseline assessment and December 2010. Based on ETO data.	11.40
<b>Employment Goal</b>	= 1 if beneficiary had an employment goal at baseline assessment; 0 otherwise. Based on ETO data.	0.68
<b>Education Goal</b>	= 1 if beneficiary had an educational goal or was pursuing education at baseline assessment; 0 otherwise. Based on ETO data.	0.22
<b>How Heard About WIPA</b>	Based on ETO data.	
SSA/Ticket to Work referral	= 1 if beneficiary heard about WIPA through MAXIMUS, SSA, or receipt of a Ticket; 0 otherwise.	0.17
Service provider referral	= 1 if beneficiary heard about WIPA through an Employment Network, Vocational Rehabilitation provider, or Community Rehabilitation Provider; 0 otherwise.	0.49
WIPA outreach	= 1 if beneficiary heard about WIPA through a Work Incentive Seminar Event (WISE), other WIPA outreach, a newspaper, television, or the internet; 0 otherwise.	0.13

Table A.1 (continued)

Variable Name	Description	Full Sample Mean
Non-SSA agency referral	= 1 if beneficiary heard about WIPA through a Developmental Disability Agency, DOI, One-Stop center, Housing Agency, Medicaid, Mental Health Agency, or Veteran Service Organization; 0 otherwise.	0.11
Omitted = other/unknown	= 1 if beneficiary was a walk-in, heard about WIPA in any way other than those listed, or did not report how they heard about WIPA; 0 otherwise.	0.10
<b>WIPA Service Hours</b>		
3-6 hours	Based on ETO data.	0.49
More than 6 hours	= 1 if beneficiary received 3-6 hours of WIPA services; 0 otherwise.	0.15
Omitted = Less than 3 hours	= 1 if beneficiary received more than 6 hours of WIPA services; 0 otherwise.	0.36
<b>CWIC Suggestions</b>		
Suggested looking for job/taking job offer	Based on ETO data.	0.27
Suggested increasing hours/seeking promotion	= 1 if CWIC suggested beneficiary look for a job or take a job offer; 0 otherwise.	0.09
Suggested earning enough to leave benefits	= 1 if CWIC suggested beneficiary increase hours or seek a promotion; 0 otherwise.	0.15
<b>Work Incentives Discussed</b>		
TWP discussed	Based on ETO data	0.61
EPE discussed	= 1 if TWP was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.60
1619a discussed	= 1 if EPE was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.52
1619b discussed	= 1 if 1619a was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.57
EN/VR/TTW discussed	= 1 if 1619b was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.67
IRWE discussed	= 1 if TTW was discussed as recorded in intake assessment, baseline assessment or work efforts, or if beneficiary was referred to VR or EN as of December 31, 2010; 0 otherwise.	0.64
PASS discussed	= 1 if IRWE or blind work expenses was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.51
Any work incentive discussed	= 1 if PASS was discussed as recorded in baseline assessment or work efforts as of December 31, 2010; 0 otherwise.	0.79
<b>NSTW Month Before Intake</b>	= 1 if TWP, EPE, 1619a, 1619b, employer subsidy, special work conditions, IRWE, PASS, or student earned income exclusion was discussed as recorded in baseline or work efforts, if TTW was discussed in the intake interview, baseline assessment, or work efforts, or if beneficiary was referred to EN or VR as of December 31, 2010; 0 otherwise.	0.05
	= 1 if beneficiary had SSI or DI benefits suspended or terminated because of earnings during the month before intake; 0 otherwise.	



Table A.1 (continued)

Variable Name	Description	Full Sample Mean
<b>Dependent Variables</b>		
<b>Work Incentives Used</b>		
Used TWP	= 1 if beneficiary used TWP in at least one month from baseline assessment through December 2010; 0 otherwise.	0.09
Used EPE	= 1 if beneficiary used EPE in at least one month from baseline assessment through December 2010; 0 otherwise.	0.09
Used 1619a	= 1 if beneficiary used 1619a in at least one month from baseline assessment through December 2010; 0 otherwise.	0.03
Used 1619b	= 1 if beneficiary used 1619b in at least one month from baseline assessment through December 2010; 0 otherwise.	0.07
Used TTW	= 1 if beneficiary used TTW in at least one month from intake through December 2010; 0 otherwise.	0.39
Used IRWE	= 1 if beneficiary used IRWE or BWE in at least one month from baseline assessment through December 2010; 0 otherwise.	0.01
Used PASS	= 1 if beneficiary used PASS in at least one month from baseline assessment through December 2010; 0 otherwise.	0.01
Used any work incentive	= 1 if beneficiary used TWP, EPE, 1619a, 1619b, Ticket to Work, employer subsidy, special work conditions, IRWE, PASS, or student earned income exclusion in at least one month from baseline assessment through December 2010; 0 otherwise.	0.51
<b>NSTW Between Entry and December 2010</b>		
	= 1 if beneficiary had benefits suspended or terminated due to work in either program in any month from intake through December 2010; 0 otherwise. In regression models specific to SSI and DI beneficiaries, NSTW status is based on the relevant benefit (SSI or DI) only.	0.07
<b>Employed in 2010</b>		
	= 1 if beneficiary had IRS earnings greater than 0 in 2010; 0 otherwise	0.55
<b>Change in Earnings</b>		
	= IRS earnings in 2009 minus IRS earnings in 2010.	878.90
<b>Increase in Earnings*</b>		
	= 1 if the beneficiary had greater IRS earnings in 2010 than in 2009; 0 otherwise.	0.38

\*The mean reported is for those who entered the WIPA program in 2009.

APPENDIX B

MULTIVARIATE MODELS OF THE USE OF SSA WORK SUPPORTS

## Model Findings

Tables B.1-B.14 present regression estimates of the likelihood of using selected SSA work supports. Below, we summarize the findings with respect to the non-WIPA explanatory variables included in these regression models.<sup>30</sup> The detailed findings from each regression model follow this discussion.

**Age.** Age is a significant predictor of using several of the work supports. Younger beneficiaries are significantly more likely to use TWP, section 1619(b), and any work support. For section 1619(a), those ages 25-34 and those ages 45-54 are significantly more likely than others to use the provision. In the TTW models, those ages 35-39 are significantly more likely to use TTW, but in models estimated separately for SSI and DI beneficiaries, those ages 25-29 are more likely than others to use TTW. Age was not a significant predictor of using the EPE, IRWE, or PASS, after controlling for other characteristics.

**Education.** Education level is a significant predictor of using section 1619(b), TTW, and any work support. Those with education beyond the high school level are significantly more likely to use these supports relative to others. Those with a high school level of education or higher are significantly more likely than those with less than a high school education to use any work support. Education is not a significant predictor of using TWP, EPE, section 1619(a), PASS, or IRWE, after controlling for other characteristics.

**Gender.** Males are significantly less likely than females to use TWP, PASS, TTW, and any work support. Gender is not a significant predictor of using the EPE, sections 1619(a) and (b), or IRWE, after controlling for other characteristics.

**Marital status.** Married individuals are significantly more likely than others to use TWP, TTW, and any work support. Marital status is not a significant predictor of using the EPE, sections 1619(a) and (b), IRWE, or PASS, after controlling for other characteristics.

**SSA program.** Concurrent beneficiaries (those participating in both DI and SSI) are significantly more likely than DI-only beneficiaries to use IRWE and any work support. They also are more likely than SSI-only recipients to use section 1619(b), but significantly less likely to use section 1619(a). Program status is not a significant predictor of using TWP, EPE, PASS, or TTW, after controlling for other characteristics.

**DAC.** DI beneficiaries who were DAC are significantly less likely than others to use TWP. DAC status was not a significant predictor of using any of the other work supports applicable to DI beneficiaries (EPE, IRWE, and TTW), after controlling for other characteristics.

**Representative payee status.** Beneficiaries with representative payees are significantly less likely to use TWP, section 1619(b), and any work support. Representative payee status is not a significant predictor of using EPE, section 1619(a), IRWE, PASS, or TTW, after controlling for other characteristics.

<sup>30</sup> The discussion presented here focuses on the models estimated using the full sample of non-users to whom each work support is applicable. For TTW and the use of any work support, we estimated additional models separately for individuals under age 30, DI beneficiaries, and SSI recipients.

**Primary diagnosis.** Selected primary diagnoses, as recorded in SSA files as the medical condition qualifying the individual for SSI or DI benefits, are significantly associated with the use of TWP, IRWE, and PASS. Relative to those with other health conditions, those with intellectual disabilities and those with other nervous system conditions are significantly more likely than others to use TWP. WIPA enrollees with psychiatric conditions are significantly less likely than others to use IRWE, but significantly more likely to use PASS. Those with sensory and communication impairments are significantly more likely to use IRWE. Primary diagnosis is not a significant predictor of using EPE, sections 1619(a) and (b), TTW, or any incentive in models estimated for the full sample, after controlling for other characteristics.<sup>31</sup>

**Months since initial eligibility for SSI or DI.** For several of the work supports (TWP, EPE, TTW, and any work support), those on the disability rolls for less than 24 months are significantly more likely to use the support, relative to those on the rolls for 10 or more years. For TWP, all on the rolls for less than 10 years are significantly more likely to use the support than others; for EPE, those on the rolls for less than five years are significantly more likely to use EPE than others. Being on the disability rolls for fewer than 24 months is significant and negatively associated with use of sections 1619(a) and (b). Time since initial eligibility for disability benefits is not a significant predictor of using IRWE or PASS, after controlling for other characteristics.

**Social Security benefit amounts.** Those with monthly SSA benefits less than \$1,000 are significantly less likely than others to use the TWP but are significantly more likely to use section 1619(b). Those with monthly benefits less than \$500 are significantly less likely than others to use PASS and TTW. SSA benefit amounts are not a significant predictor of using EPE, section 1619(a), IRWE, or any work support, after controlling for other characteristics.

**Employment status at program entry.** Not surprisingly, beneficiaries who were employed when they entered the WIPA program are significantly more likely than nonworking beneficiaries to use nearly all of the work supports considered, including TWP, EPE, 1619(a) and (b), IRWE, and any work support. Those who were not employed but actively looking for work also are significantly more likely than other nonworking beneficiaries to use TWP, EPE, 1619(a) and (b), TTW, and any work support. Those who used TTW, however, are significantly less likely than others to be employed at program entry.

**Employment and education goals.** Those with an employment goal at baseline assessment are significantly more likely than others to have used any work support, however, with one exception, having an employment goal is not significantly associated with the use of any specific work support, after controlling for other factors. The exception is from the model of the likelihood of using TTW estimated for those under age 30; for these individuals, having an employment goal is significantly and positively associated with TTW use. Those with an education goal at baseline assessment are significantly more likely to use PASS and significantly less likely to use 1619(b). Having an education goal is also significant and positively associated with using TTW in the models estimated separately for SSI and DI beneficiaries, but is not significant in the combined model.

<sup>31</sup> Those with mental illness are significantly less likely than others to use any incentive in the models estimated for those under age 30 and SSI recipients; the same is true for those with mental retardation, sensory, and communication disorders in the models estimated for those under age 30.

**Sources of referral to the WIPA program.** Sources of referral to the WIPA program (that is, where beneficiaries heard about it) are significantly associated with use of some of the work supports. Not surprisingly, those with SSA/TTW and provider referrals are significantly more likely than others to use TTW, and also are more likely to use any support. Those with SSA/TTW referrals also are significantly more likely to use the TWP. Relative to others, SSA/TTW and WIPA outreach referrals are significantly less likely to use 1619(b). WIPA outreach referrals also are significantly less likely than others to use PASS. Referral sources are not significantly associated with use of EPE, 1619(a), or IRWE, after controlling for other characteristics.

**Months from baseline assessment through December 2010.** The duration of elapsed time (in months) between the baseline assessment (or WIPA entry, if no baseline assessment was conducted) and the end of December 2010 (the last month for which data on the use of work supports are available in the TRF10) was significant and positively associated with use of PASS and any work support. This variable was not a significant predictor of using any of the other work supports, after controlling for other characteristics.

**Table B.1. Logistic Regression Model of the Likelihood of Using TWP by December 2010: DI Beneficiary Sample Members Not Using TWP at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age less than 25	0.94	2.57	0.23	<.001	0.05
Age 25- 29	0.90	2.46	0.18	<.001	0.08
Age 30- 34	0.38	1.46	0.18	0.03	0.08
Age 35- 39	0.36	1.44	0.16	0.02	0.10
Age 40-44	0.17	1.18	0.14	0.25	0.13
Age 45-54	0.06	1.07	0.11	0.56	0.34
HS	0.08	1.08	0.20	0.70	0.27
Beyond HS	0.27	1.31	0.20	0.17	0.31
Education unknown	-0.02	0.98	0.20	0.93	0.35
Male	-0.16	0.85	0.08	0.05	0.51
Married	0.21	1.23	0.10	0.04	0.18
Marital status unknown	0.12	1.13	0.12	0.32	0.18
DI-only at baseline	0.16	1.18	0.10	0.12	0.67
DAC	-0.68	0.51	0.31	0.03	0.06
Rep payee	-0.43	0.65	0.13	0.00	0.25
Psychiatric	-0.01	1.00	0.11	0.96	0.44
Musculoskeletal	0.13	1.14	0.12	0.28	0.15
Intellectual	-0.51	0.60	0.26	0.05	0.08
Sensory/communication	-0.29	0.75	0.22	0.18	0.05
Other nervous system	-0.46	0.63	0.20	0.02	0.06
1st eligibility <24 mo.	0.89	2.44	0.13	<.001	0.15
1st eligibility 24- 59 mo.	0.46	1.58	0.12	0.00	0.21
1st eligibility 60- 119 mo.	0.28	1.32	0.12	0.02	0.24
SSA benefit <500	-0.84	0.43	0.25	0.00	0.05
SSA benefit 500- 999	-0.44	0.65	0.12	0.00	0.51
SSA benefit 1000 - 1500	-0.16	0.85	0.11	0.16	0.28
Employed at intake	1.03	2.81	0.12	<.001	0.28
Looking for work at intake	0.44	1.56	0.12	0.00	0.46
Months from baseline assessment through Dec 2010	0.02	1.02	0.02	0.37	11.37
Employment goal	-0.06	0.95	0.10	0.56	0.69
Education goal	-0.06	0.94	0.11	0.55	0.19
SSA/Ticket to Work referral	0.56	1.75	0.17	0.00	0.19
Service provider referral	0.11	1.12	0.16	0.48	0.49
WIPA outreach	0.28	1.32	0.19	0.14	0.11
Non-SSA agency referral	-0.04	0.96	0.21	0.83	0.11
3- 6 hours WIPA services	0.25	1.29	0.10	0.01	0.48
> 6 hours WIPA services	0.59	1.81	0.13	<.001	0.15
TWP ever discussed	0.26	1.30	0.12	0.03	0.78

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 8,096.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.2. Logistic Regression Model of the Likelihood of Using EPE by December 2010: DI Beneficiary Sample Members Not Using EPE at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.51	1.67	0.34	0.14	0.06
Age 25-29	0.45	1.57	0.30	0.13	0.08
Age 30-34	-0.16	0.85	0.32	0.61	0.08
Age 35-39	0.04	1.04	0.28	0.89	0.10
Age 40-44	-0.14	0.87	0.26	0.59	0.12
Age 45-54	-0.32	0.73	0.20	0.12	0.34
HS	0.35	1.42	0.39	0.37	0.27
Beyond HS	0.55	1.73	0.39	0.16	0.31
Education unknown	0.57	1.76	0.39	0.15	0.35
Male	0.05	1.05	0.15	0.74	0.51
Married	0.33	1.39	0.19	0.08	0.19
Marital status unknown	0.00	1.00	0.22	0.99	0.17
DI-only at baseline	0.09	1.10	0.18	0.62	0.66
DAC	-0.32	0.73	0.40	0.43	0.06
Rep payee	0.10	1.11	0.20	0.61	0.25
Psychiatric	-0.18	0.84	0.19	0.36	0.44
Musculoskeletal	-0.18	0.84	0.24	0.45	0.15
Intellectual	-0.70	0.50	0.37	0.06	0.08
Sensory/communication	-0.05	0.96	0.32	0.89	0.05
Other nervous system	-0.48	0.62	0.35	0.16	0.06
1st eligibility <24 mo.	<b>0.67</b>	<b>1.96</b>	<b>0.23</b>	<b>0.00</b>	<b>0.16</b>
1st eligibility 24- 59 mo.	<b>0.47</b>	<b>1.59</b>	<b>0.21</b>	<b>0.03</b>	<b>0.22</b>
1st eligibility 60-119 mo.	0.36	1.44	0.21	0.08	0.23
SSA benefit <500	0.04	1.04	0.39	0.92	0.04
SSA benefit 500-999	0.02	1.02	0.23	0.92	0.52
SSA benefit 1000 - 1500	0.18	1.20	0.22	0.42	0.27
Employed at intake	<b>2.51</b>	<b>12.26</b>	<b>0.31</b>	<b>&lt;.001</b>	<b>0.28</b>
Looking for work at intake	<b>1.01</b>	<b>2.75</b>	<b>0.32</b>	<b>0.00</b>	<b>0.46</b>
Months from baseline assessment through Dec 2010	0.06	1.06	0.04	0.13	11.36
Employment goal	0.08	1.08	0.18	0.65	0.69
Education goal	-0.24	0.78	0.21	0.24	0.19
SSA/Ticket to Work referral	-0.07	0.94	0.27	0.81	0.19
Service provider referral	-0.32	0.73	0.25	0.20	0.49
WIPA outreach	-0.26	0.77	0.31	0.41	0.11
Non-SSA agency referral	-0.14	0.87	0.31	0.65	0.11
3-6 hours WIPA services	0.29	1.33	0.19	0.14	0.48
> 6 hours WIPA services	<b>0.93</b>	<b>2.54</b>	<b>0.22</b>	<b>&lt;.001</b>	<b>0.15</b>
EPE ever discussed	-0.24	0.79	0.18	0.20	0.76

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 7,666.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.3. Logistic Regression Model of the Likelihood of Using Section 1619(a) by December 2010: SSI Recipient Sample Members Not Using Section 1619(a) at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.56	1.74	0.33	0.09	0.27
<b>Age 25- 29</b>	<b>0.71</b>	<b>2.03</b>	<b>0.35</b>	<b>0.04</b>	<b>0.12</b>
<b>Age 30- 34</b>	<b>0.71</b>	<b>2.04</b>	<b>0.37</b>	<b>0.05</b>	<b>0.09</b>
Age 35-39	0.38	1.47	0.38	0.31	0.09
Age 40-44	0.61	1.85	0.35	0.08	0.10
<b>Age 45- 54</b>	<b>0.64</b>	<b>1.89</b>	<b>0.31</b>	<b>0.04</b>	<b>0.22</b>
HS	0.34	1.40	0.23	0.15	0.31
Beyond HS	0.28	1.33	0.27	0.29	0.21
Education unknown	0.37	1.44	0.24	0.13	0.36
Male	-0.04	0.96	0.14	0.75	0.52
Married	-0.13	0.88	0.30	0.67	0.08
Marital status unknown	0.06	1.06	0.21	0.77	0.14
<b>SSI- only at baseline</b>	<b>1.06</b>	<b>2.88</b>	<b>0.34</b>	<b>0.00</b>	<b>0.50</b>
Rep payee	-0.19	0.83	0.17	0.24	0.42
Psychiatric	0.15	1.16	0.21	0.48	0.47
Musculoskeletal	0.57	1.78	0.33	0.08	0.08
Intellectual	0.24	1.27	0.25	0.33	0.18
Sensory/communication	0.18	1.20	0.37	0.61	0.04
Other nervous system	0.24	1.27	0.31	0.44	0.06
1st eligibility <24 mo.	-0.76	0.47	0.32	0.02	0.11
1st eligibility 24-59 mo.	-0.27	0.76	0.22	0.23	0.14
1st eligibility 60-119 mo.	-0.24	0.79	0.19	0.21	0.17
SSA benefit <\$00	0.62	1.85	0.51	0.23	0.54
SSA benefit 500-999	-0.28	0.76	0.44	0.52	0.37
<b>Employed at intake</b>	<b>2.00</b>	<b>7.42</b>	<b>0.22</b>	<b>&lt;.001</b>	<b>0.26</b>
<b>Looking for work at intake</b>	<b>0.65</b>	<b>1.92</b>	<b>0.24</b>	<b>0.01</b>	<b>0.45</b>
Months from baseline assessment through Dec 2010	0.02	1.02	0.04	0.54	11.46
Employment goal	0.03	1.03	0.16	0.85	0.67
Education goal	0.02	1.02	0.17	0.91	0.27
SSA/Ticket to Work referral	-0.34	0.71	0.29	0.24	0.14
Service provider referral	-0.33	0.72	0.23	0.15	0.50
WIPA outreach	-0.53	0.59	0.28	0.06	0.16
Non-SSA agency referral	-0.48	0.62	0.30	0.10	0.12
3-6 hours WIPA services	0.16	1.18	0.17	0.34	0.51
<b>&gt; 6 hours WIPA services</b>	<b>0.54</b>	<b>1.72</b>	<b>0.21</b>	<b>0.01</b>	<b>0.14</b>
1619a ever discussed	-0.19	0.83	0.15	0.22	0.52

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 553.

Note: Bold type indicates statistical significance at the 0.05 level.



**Table B.4. Logistic Regression Model of the Likelihood of Using Section 1619(b) by December 2010: SSI Recipient Sample Members Not Using Section 1619(b) at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.55	1.74	0.22	0.01	0.28
Age 25- 29	0.69	2.00	0.23	0.00	0.12
Age 30-34	0.33	1.39	0.25	0.18	0.08
Age 35-39	0.19	1.21	0.25	0.43	0.09
Age 40-44	0.30	1.35	0.23	0.20	0.10
Age 45-54	0.06	1.06	0.21	0.77	0.22
HS	0.17	1.18	0.18	0.36	0.31
Beyond HS	0.37	1.46	0.19	0.05	0.20
Education unknown	0.10	1.11	0.19	0.60	0.36
Male	0.01	1.01	0.10	0.89	0.52
Married	-0.24	0.79	0.22	0.27	0.08
Marital status unknown	0.09	1.09	0.15	0.57	0.14
SSI- only at baseline	-1.71	0.18	0.20	<.001	0.52
Rep payee	-0.31	0.74	0.12	0.01	0.41
Psychiatric	0.26	1.30	0.16	0.10	0.47
Musculoskeletal	0.33	1.40	0.24	0.17	0.08
Intellectual	0.17	1.18	0.20	0.39	0.18
Sensory/communication	0.09	1.09	0.28	0.75	0.04
Other nervous system	0.35	1.42	0.24	0.15	0.06
1st eligibility <24 mo.	-0.92	0.40	0.24	0.00	0.11
1st eligibility 24-59 mo.	0.12	1.13	0.15	0.43	0.14
1st eligibility 60-119 mo.	0.02	1.02	0.14	0.89	0.17
SSA benefit <500	2.07	7.89	0.30	<.0001	0.55
SSA benefit 500- 999	1.17	3.23	0.25	<.0001	0.35
Employed at intake	1.68	5.37	0.16	<.0001	0.23
Looking for work at intake	0.65	1.92	0.16	<.0001	0.46
Months from baseline assessment through Dec 2010	-0.01	0.99	0.03	0.65	11.46
Employment goal	0.09	1.10	0.12	0.44	0.66
Education goal	-0.30	0.74	0.13	0.02	0.27
SSA/Ticket to Work referral	-0.48	0.62	0.22	0.03	0.14
Service provider referral	-0.22	0.80	0.18	0.21	0.50
WIPA outreach	-0.60	0.55	0.23	0.01	0.16
Non-SSA agency referral	-0.24	0.78	0.22	0.26	0.12
3-6 hours WIPA services	-0.06	0.94	0.13	0.65	0.51
> 6 hours WIPA services	0.33	1.39	0.16	0.03	0.14
1619b ever discussed	0.13	1.14	0.12	0.27	0.60

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 5,312.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.5. Logistic Regression Model of the Likelihood of Using IRWE by December 2010: Sample Members Not Using IRWE at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	-0.16	0.85	0.65	0.81	0.14
Age 25-29	-1.00	0.37	0.82	0.22	0.08
Age 30-34	0.71	2.04	0.66	0.28	0.08
Age 35-39	-0.28	0.76	0.75	0.71	0.09
Age 40-44	0.42	1.52	0.64	0.52	0.12
Age 45-54	-1.22	0.30	0.77	0.11	0.30
HS	-0.10	0.91	0.49	0.84	0.28
Beyond HS	-0.22	0.80	0.54	0.68	0.28
Education unknown	-0.73	0.48	0.60	0.22	0.36
Male	-0.13	0.88	0.33	0.69	0.51
Married	0.08	1.09	0.59	0.89	0.16
Marital status unknown	0.11	1.12	0.59	0.85	0.17
DI- only at baseline	- 3.47	0.03	1.10	0.00	0.50
SSI-only at baseline	0.03	1.03	0.60	0.96	0.25
DAC	0.29	1.34	0.53	0.58	0.05
Rep payee	-0.15	0.87	0.39	0.71	0.30
Psychiatric	- 1.77	0.17	0.58	0.00	0.44
Musculoskeletal	-0.06	0.94	0.70	0.93	0.13
Intellectual	-0.66	0.52	0.55	0.23	0.12
Sensory/communication	1.59	4.90	0.49	0.00	0.05
Other nervous system	0.21	1.23	0.60	0.73	0.06
1st eligibility <24 mo.	-0.40	0.67	0.68	0.55	0.14
1st eligibility 24-59 mo.	-0.83	0.44	0.77	0.28	0.19
1st eligibility 60-119 mo.	-0.18	0.83	0.53	0.73	0.23
SSA benefit <500	0.31	1.37	1.26	0.80	0.28
SSA benefit 500-999	-0.51	0.60	1.18	0.66	0.38
SSA benefit 1000 - 1500	-1.39	0.25	1.49	0.35	0.21
Employed at intake	2.85	17.24	0.75	0.00	0.28
Looking for work at intake	0.82	2.28	0.82	0.31	0.44
Months from baseline assessment through Dec 2010	0.14	1.15	0.09	0.13	11.40
Employment goal	0.33	1.39	0.42	0.43	0.68
Education goal	0.40	1.50	0.37	0.28	0.22
SSA/Ticket to Work referral	-0.79	0.46	0.90	0.38	0.17
Service provider referral	0.03	1.03	0.57	0.96	0.49
WIPA outreach	0.07	1.07	0.66	0.92	0.13
Non-SSA agency referral	-0.24	0.79	0.80	0.77	0.11
3-6 hours WIPA services	-0.25	0.78	0.41	0.54	0.49
> 6 hours WIPA services	-0.16	0.86	0.50	0.75	0.15
IRWE ever discussed	0.00	1.00	0.37	1.00	0.64

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 11,239.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.6. Logistic Regression Model of the Likelihood of Using PASS by December 2010: SSI Recipient Sample Members Who Not Using PASS at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.81	2.25	0.54	0.13	0.28
Age 25-29	0.34	1.41	0.54	0.52	0.12
Age 30-34	0.46	1.58	0.55	0.41	0.09
Age 35-39	0.33	1.39	0.53	0.54	0.09
Age 40-44	-0.34	0.71	0.61	0.57	0.10
Age 45-54	0.23	1.26	0.46	0.61	0.22
HS	0.56	1.75	0.57	0.33	0.32
<b>Beyond HS</b>	<b>1.06</b>	<b>2.88</b>	<b>0.55</b>	<b>0.05</b>	<b>0.20</b>
Education unknown	0.25	1.29	0.59	0.67	0.36
<b>Male</b>	<b>-0.61</b>	<b>0.54</b>	<b>0.27</b>	<b>0.02</b>	<b>0.52</b>
Married	-1.07	0.34	0.61	0.08	0.08
Marital status unknown	-0.84	0.43	0.50	0.09	0.14
SSI-only at baseline	2.75	15.62	1.99	0.17	0.50
Rep payee	-0.57	0.57	0.33	0.09	0.42
<b>Psychiatric</b>	<b>0.72</b>	<b>2.06</b>	<b>0.31</b>	<b>0.02</b>	<b>0.47</b>
Musculoskeletal	0.86	2.36	0.46	0.06	0.07
Other nervous system	-1.17	0.31	1.05	0.27	0.06
1st eligibility <24 mo.	-0.51	0.60	0.47	0.27	0.11
1st eligibility 24-59 mo.	0.41	1.51	0.33	0.21	0.14
1st eligibility 60-119 mo.	0.51	1.67	0.32	0.11	0.17
SSA benefit <\$00	-4.39	0.01	2.01	0.03	0.54
SSA benefit 500-999	-0.65	0.52	0.34	0.06	0.37
Employed at intake	0.35	1.42	0.33	0.28	0.26
Looking for work at intake	-0.23	0.80	0.30	0.45	0.44
Months from baseline assessment through Dec 2010	0.13	1.14	0.07	0.05	11.46
Employment goal	-0.07	0.94	0.34	0.85	0.67
<b>Education goal</b>	<b>1.31</b>	<b>3.70</b>	<b>0.28</b>	<b>&lt;.001</b>	<b>0.27</b>
SSA/Ticket to Work referral	-0.02	0.98	0.46	0.96	0.14
Service provider referral	-0.37	0.69	0.42	0.37	0.50
<b>WIPA outreach</b>	<b>-1.33</b>	<b>0.27</b>	<b>0.65</b>	<b>0.04</b>	<b>0.16</b>
Non-SSA agency referral	-0.97	0.38	0.57	0.09	0.12
3-6 hours WIPA services	-0.26	0.77	0.34	0.44	0.51
<b>&gt; 6 hours WIPA services</b>	<b>0.75</b>	<b>2.13</b>	<b>0.35</b>	<b>0.03</b>	<b>0.14</b>
<b>PASS ever discussed</b>	<b>1.76</b>	<b>5.82</b>	<b>0.40</b>	<b>&lt;.001</b>	<b>0.46</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 5,579.

Notes: The variables representing intellectual and sensory/communication disabilities were excluded from the model because no PASS users had these characteristics. Bold type indicates statistical significance at the 0.05 level.

**Table B.7. Logistic Regression Model of the Likelihood of Using TTW by December 2010: Sample Members Not Using TTW at WIPA Program Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.15	1.16	0.13	0.23	0.15
<b>Age 25- 29</b>	<b>0.32</b>	<b>1.38</b>	<b>0.13</b>	<b>0.01</b>	<b>0.08</b>
Age 30-34	0.03	1.03	0.13	0.79	0.07
<b>Age 35- 39</b>	<b>0.22</b>	<b>1.25</b>	<b>0.11</b>	<b>0.05</b>	<b>0.09</b>
Age 40-44	0.00	1.00	0.11	0.98	0.11
Age 45-54	0.07	1.08	0.08	0.37	0.30
HS	0.09	1.09	0.11	0.44	0.28
<b>Beyond HS</b>	<b>0.43</b>	<b>1.54</b>	<b>0.11</b>	<b>0.00</b>	<b>0.27</b>
<b>Education unknown</b>	<b>0.23</b>	<b>1.26</b>	<b>0.11</b>	<b>0.04</b>	<b>0.37</b>
<b>Male</b>	<b>-0.18</b>	<b>0.83</b>	<b>0.06</b>	<b>0.00</b>	<b>0.51</b>
<b>Married</b>	<b>0.19</b>	<b>1.21</b>	<b>0.08</b>	<b>0.02</b>	<b>0.16</b>
Marital status unknown	0.03	1.03	0.08	0.75	0.16
DI-only at intake	-0.09	0.92	0.07	0.24	0.49
SSI-only at intake	0.29	1.33	0.19	0.13	0.25
DAC	-0.15	0.86	0.14	0.29	0.05
Rep payee	-0.02	0.98	0.08	0.77	0.30
Psychiatric	-0.06	0.94	0.08	0.41	0.44
Musculoskeletal	0.00	1.01	0.10	0.96	0.13
Intellectual	0.03	1.04	0.12	0.77	0.12
Sensory/communication	0.01	1.01	0.15	0.93	0.04
Other nervous system	-0.05	0.95	0.13	0.68	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>0.38</b>	<b>1.46</b>	<b>0.09</b>	<b>&lt;.001</b>	<b>0.15</b>
1st eligibility 24-59 mo.	0.06	1.06	0.08	0.47	0.19
1st eligibility 60-119 mo.	0.11	1.11	0.08	0.17	0.22
<b>SSA benefit &lt; 500</b>	<b>-0.49</b>	<b>0.61</b>	<b>0.19</b>	<b>0.01</b>	<b>0.29</b>
SSA benefit 500-999	-0.12	0.89	0.10	0.23	0.37
SSA benefit 1000 - 1500	-0.03	0.97	0.10	0.76	0.21
<b>Employed at intake</b>	<b>-0.34</b>	<b>0.71</b>	<b>0.08</b>	<b>&lt;.001</b>	<b>0.27</b>
<b>Looking for work at intake</b>	<b>0.28</b>	<b>1.32</b>	<b>0.07</b>	<b>&lt;.001</b>	<b>0.44</b>
Months from baseline assessment through Dec 2010	0.00	1.00	0.01	0.90	11.39
Employment goal	0.06	1.06	0.07	0.38	0.67
Education goal	0.11	1.12	0.07	0.12	0.22
<b>SSA/Ticket to Work referral</b>	<b>0.35</b>	<b>1.41</b>	<b>0.13</b>	<b>0.01</b>	<b>0.20</b>
<b>Service provider referral</b>	<b>1.09</b>	<b>2.98</b>	<b>0.12</b>	<b>&lt;.001</b>	<b>0.44</b>
WIPA outreach	-0.06	0.94	0.15	0.67	0.15
Non-SSA agency referral	0.20	1.22	0.15	0.18	0.12
<b>3- 6 hours WIPA services</b>	<b>0.28</b>	<b>1.32</b>	<b>0.07</b>	<b>&lt;.001</b>	<b>0.49</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.52</b>	<b>1.69</b>	<b>0.09</b>	<b>&lt;.001</b>	<b>0.15</b>
EN/VR/TTW ever referred/discussed	0.08	1.08	0.07	0.27	0.68

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 8,576.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.8. Logistic Regression Model of the Likelihood of Using TTW by December 2010: Sample Members under Age 30 Not Using TTW at WIPA Program Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	-0.19	0.83	0.14	0.17	0.65
HS	0.04	1.04	0.20	0.86	0.32
Beyond HS	0.26	1.30	0.23	0.27	0.14
Education unknown	0.07	1.08	0.21	0.72	0.42
Male	-0.12	0.89	0.12	0.34	0.61
Married	0.33	1.39	0.30	0.27	0.03
Marital status unknown	-0.07	0.94	0.20	0.74	0.11
DI-only at intake	-0.35	0.71	0.20	0.08	0.13
SSI-only at intake	-0.23	0.80	0.15	0.14	0.58
DAC	-0.20	0.82	0.21	0.33	0.12
Rep payee	0.30	1.36	0.14	0.03	0.66
Psychiatric	-0.42	0.66	0.18	0.02	0.46
Musculoskeletal	0.04	1.04	0.40	0.92	0.02
Intellectual	-0.27	0.76	0.20	0.18	0.28
Sensory/communication	-0.62	0.54	0.34	0.07	0.04
Other nervous system	-0.17	0.85	0.26	0.52	0.07
1st eligibility <24 mo.	0.68	1.98	0.20	0.00	0.11
1st eligibility 24- 59 mo.	0.36	1.44	0.17	0.04	0.19
1st eligibility 60-119 mo.	0.12	1.13	0.17	0.47	0.22
Employed at intake	-0.51	0.60	0.18	0.00	0.25
Looking for work at intake	0.07	1.08	0.15	0.62	0.40
Months from baseline assessment through Dec 2010	0.02	1.02	0.03	0.52	11.59
Employment goal	0.38	1.46	0.14	0.01	0.62
Education goal	0.01	1.01	0.13	0.95	0.37
SSA/Ticket to Work referral	0.00	1.00	0.29	1.00	0.11
Service provider referral	0.75	2.13	0.24	0.00	0.46
WIPA outreach	-0.58	0.56	0.29	0.05	0.24
Non-SSA agency referral	-0.04	0.96	0.31	0.90	0.10
3-6 hours WIPA services	0.24	1.27	0.15	0.11	0.53
> 6 hours WIPA services	0.52	1.69	0.19	0.01	0.15
EN/VR/TTW ever referred/discussed	0.05	1.05	0.14	0.71	0.54

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 1,965.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.9. Logistic Regression Model of the Likelihood of Using TTW by December 2010: DI Beneficiary Sample Members Not Using TTW at WIPA Program Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.26	1.29	0.17	0.14	0.06
<b>Age 25- 29</b>	<b>0.33</b>	<b>1.39</b>	<b>0.14</b>	<b>0.02</b>	<b>0.07</b>
Age 30-34	-0.05	0.95	0.14	0.71	0.08
Age 35-39	0.13	1.14	0.12	0.29	0.10
Age 40-44	-0.08	0.92	0.12	0.48	0.12
Age 45-54	0.04	1.04	0.09	0.64	0.33
HS	0.16	1.17	0.15	0.28	0.27
<b>Beyond HS</b>	<b>0.60</b>	<b>1.81</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.31</b>
<b>Education unknown</b>	<b>0.39</b>	<b>1.47</b>	<b>0.15</b>	<b>0.01</b>	<b>0.35</b>
<b>Male</b>	<b>- 0.16</b>	<b>0.85</b>	<b>0.07</b>	<b>0.02</b>	<b>0.50</b>
<b>Married</b>	<b>0.19</b>	<b>1.21</b>	<b>0.09</b>	<b>0.03</b>	<b>0.19</b>
Marital status unknown	0.08	1.08	0.10	0.40	0.17
DI-only at intake	-0.09	0.91	0.08	0.23	0.66
DAC	-0.17	0.84	0.16	0.29	0.06
Rep payee	-0.05	0.95	0.09	0.57	0.24
Psychiatric	-0.02	0.98	0.09	0.82	0.44
Musculoskeletal	0.01	1.01	0.10	0.95	0.16
Intellectual	0.05	1.05	0.16	0.74	0.08
Sensory/communication	0.08	1.09	0.17	0.63	0.04
Other nervous system	0.09	1.09	0.14	0.53	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>0.37</b>	<b>1.45</b>	<b>0.10</b>	<b>0.00</b>	<b>0.17</b>
1st eligibility 24-59 mo.	0.04	1.04	0.09	0.71	0.21
<b>1st eligibility 60- 119 mo.</b>	<b>0.21</b>	<b>1.24</b>	<b>0.09</b>	<b>0.02</b>	<b>0.23</b>
<b>SSA benefit &lt; 500</b>	<b>- 0.48</b>	<b>0.62</b>	<b>0.20</b>	<b>0.01</b>	<b>0.05</b>
SSA benefit 500-999	-0.11	0.90	0.10	0.28	0.50
SSA benefit 1000 - 1500	-0.02	0.98	0.10	0.81	0.28
<b>Employed at intake</b>	<b>- 0.42</b>	<b>0.65</b>	<b>0.10</b>	<b>&lt;.001</b>	<b>0.29</b>
<b>Looking for work at intake</b>	<b>0.28</b>	<b>1.32</b>	<b>0.08</b>	<b>0.00</b>	<b>0.45</b>
Months from baseline assessment through Dec 2010	-0.01	0.99	0.02	0.69	11.33
Employment goal	0.02	1.02	0.08	0.81	0.68
<b>Education goal</b>	<b>0.18</b>	<b>1.20</b>	<b>0.08</b>	<b>0.03</b>	<b>0.19</b>
<b>SSA/Ticket to Work referral</b>	<b>0.47</b>	<b>1.61</b>	<b>0.15</b>	<b>0.00</b>	<b>0.22</b>
<b>Service provider referral</b>	<b>1.19</b>	<b>3.30</b>	<b>0.14</b>	<b>&lt;.001</b>	<b>0.43</b>
WIPA outreach	0.16	1.17	0.17	0.35	0.12
<b>Non- SSA agency referral</b>	<b>0.42</b>	<b>1.52</b>	<b>0.17</b>	<b>0.01</b>	<b>0.12</b>
<b>3- 6 hours WIPA services</b>	<b>0.29</b>	<b>1.33</b>	<b>0.08</b>	<b>0.00</b>	<b>0.48</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.49</b>	<b>1.64</b>	<b>0.10</b>	<b>&lt;.001</b>	<b>0.15</b>
EN/VR/TTW ever referred/discussed	0.00	1.00	0.08	0.99	0.74

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 6,394.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.10. Logistic Regression Model of the Likelihood of Using TTW by December 2010: SSI Recipient Sample Members Not Using TTW at WIPA Program Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.11	1.12	0.17	0.50	0.28
<b>Age 25- 29</b>	<b>0.42</b>	<b>1.52</b>	<b>0.18</b>	<b>0.02</b>	<b>0.11</b>
Age 30-34	0.15	1.17	0.19	0.42	0.08
Age 35-39	0.31	1.37	0.18	0.08	0.09
Age 40-44	0.01	1.01	0.18	0.97	0.10
Age 45-54	0.07	1.07	0.15	0.65	0.23
HS	0.16	1.18	0.14	0.24	0.31
<b>Beyond HS</b>	<b>0.37</b>	<b>1.45</b>	<b>0.15</b>	<b>0.01</b>	<b>0.20</b>
Education unknown	0.20	1.22	0.14	0.16	0.37
<b>Male</b>	<b>- 0.16</b>	<b>0.86</b>	<b>0.08</b>	<b>0.05</b>	<b>0.52</b>
Married	0.22	1.25	0.14	0.10	0.08
Marital status unknown	-0.15	0.86	0.12	0.23	0.14
SSI-only at intake	0.21	1.23	0.24	0.38	0.50
Rep payee	0.06	1.06	0.10	0.56	0.41
<b>Psychiatric</b>	<b>- 0.26</b>	<b>0.77</b>	<b>0.11</b>	<b>0.02</b>	<b>0.48</b>
Musculoskeletal	-0.19	0.83	0.17	0.26	0.08
Intellectual	-0.15	0.86	0.14	0.30	0.18
Sensory/communication	-0.45	0.64	0.24	0.06	0.03
<b>Other nervous system</b>	<b>- 0.43</b>	<b>0.65</b>	<b>0.20</b>	<b>0.03</b>	<b>0.06</b>
<b>1st eligibility &lt;24 mo.</b>	<b>0.43</b>	<b>1.54</b>	<b>0.12</b>	<b>0.00</b>	<b>0.12</b>
1st eligibility 24-59 mo.	0.17	1.19	0.12	0.15	0.14
1st eligibility 60-119 mo.	-0.04	0.96	0.12	0.71	0.17
SSA benefit <500	-0.35	0.71	0.26	0.19	0.54
SSA benefit 500-999	-0.08	0.92	0.14	0.55	0.36
<b>Employed at intake</b>	<b>- 0.41</b>	<b>0.66</b>	<b>0.12</b>	<b>0.00</b>	<b>0.24</b>
<b>Looking for work at intake</b>	<b>0.24</b>	<b>1.27</b>	<b>0.10</b>	<b>0.01</b>	<b>0.44</b>
Months from baseline assessment through Dec 2010	0.02	1.02	0.02	0.43	11.47
Employment goal	0.10	1.11	0.09	0.28	0.65
<b>Education goal</b>	<b>0.19</b>	<b>1.21</b>	<b>0.09</b>	<b>0.04</b>	<b>0.27</b>
SSA/Ticket to Work referral	0.16	1.18	0.19	0.39	0.16
<b>Service provider referral</b>	<b>0.91</b>	<b>2.50</b>	<b>0.17</b>	<b>&lt;.001</b>	<b>0.45</b>
<b>WIPA outreach</b>	<b>- 0.42</b>	<b>0.66</b>	<b>0.20</b>	<b>0.04</b>	<b>0.17</b>
Non-SSA agency referral	-0.12	0.89	0.21	0.57	0.12
<b>3- 6 hours WIPA services</b>	<b>0.31</b>	<b>1.36</b>	<b>0.10</b>	<b>0.00</b>	<b>0.51</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.57</b>	<b>1.77</b>	<b>0.13</b>	<b>&lt;.001</b>	<b>0.14</b>
EN/VR/TTW ever referred/discussed	0.04	1.05	0.10	0.64	0.61

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 4,384.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table B.11. Logistic Regression Model of the Likelihood of Using Any Work Incentive by December 2010: Sample Members Not Using Any Work Incentives at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	0.27	1.31	0.12	0.02	0.16
Age 25- 29	<b>0.43</b>	<b>1.54</b>	0.12	<b>0.00</b>	0.08
Age 30-34	0.13	1.14	0.12	0.30	0.08
Age 35-39	0.14	1.15	0.11	0.23	0.09
Age 40-44	-0.12	0.89	0.11	0.26	0.11
Age 45-54	0.04	1.04	0.08	0.65	0.30
HS	0.21	1.24	0.11	<b>0.04</b>	0.28
Beyond HS	0.44	1.55	0.11	<b>&lt;.001</b>	0.26
Education unknown	0.21	1.23	0.11	0.05	0.37
Male	-0.18	0.84	0.06	<b>0.00</b>	0.52
Married	0.19	1.21	0.08	0.01	0.15
Marital status unknown	-0.08	0.93	0.08	0.36	0.16
DI- only at baseline	-0.37	0.69	0.07	<b>&lt;.001</b>	0.48
SSI-only at baseline	-0.16	0.85	0.17	0.36	0.27
DAC	-0.17	0.85	0.13	0.22	0.06
Rep payee	-0.15	0.86	0.07	<b>0.04</b>	0.30
Psychiatric	-0.06	0.95	0.07	0.46	0.44
Musculoskeletal	-0.01	0.99	0.10	0.91	0.13
Intellectual	-0.08	0.93	0.11	0.50	0.12
Sensory/communication	-0.03	0.97	0.15	0.85	0.04
Other nervous system	-0.04	0.96	0.12	0.76	0.06
1st eligibility <24 mo.	0.41	1.51	<b>0.08</b>	<b>&lt;.001</b>	0.16
1st eligibility 24-59 mo.	0.15	1.16	0.08	0.07	0.19
1st eligibility 60-119 mo.	0.03	1.03	0.08	0.68	0.21
SSA benefit <500	-0.30	0.74	0.18	0.10	0.30
SSA benefit 500- 999	-0.20	0.82	0.10	<b>0.04</b>	0.37
SSA benefit 1000 - 1500	-0.11	0.89	0.10	0.24	0.21
Employed at intake	0.35	1.42	0.08	<b>&lt;.001</b>	0.22
Looking for work at intake	0.26	1.29	0.07	<b>0.00</b>	0.46
Months from baseline assessment through Dec 2010	0.05	1.05	0.01	<b>0.00</b>	11.41
Employment goal	0.18	1.19	0.06	<b>0.01</b>	0.66
Education goal	0.00	1.00	0.07	0.95	0.22
SSA/Ticket to Work referral	0.28	1.32	0.12	0.02	0.19
Service provider referral	0.72	2.05	0.11	<b>&lt;.001</b>	0.44
WIPA outreach	-0.16	0.85	0.13	0.21	0.15
Non-SSA agency referral	0.04	1.04	0.13	0.76	0.12
3- 6 hours WIPA services	0.18	1.20	0.07	<b>0.01</b>	0.49
> 6 hours WIPA services	0.54	1.71	0.09	<b>&lt;.001</b>	0.14
Referral/discussion of any incentive	0.00	1.00	0.08	1.00	0.79

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 7,407

Note: Bold type indicates statistical significance at the 0.05 level.



**Table B.12. Logistic Regression Model of the Likelihood of Using Any Work Incentive by December 2010: Sample Member Under Age 30 Not Using Any Work Incentives at Baseline Assessment**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	-0.07	0.93	0.14	0.60	0.67
HS	0.25	1.28	0.20	0.21	0.32
Beyond HS	0.43	1.54	0.23	0.06	0.13
Education unknown	0.02	1.02	0.20	0.91	0.42
Male	0.00	1.00	0.12	0.99	0.61
Married	0.10	1.10	0.31	0.76	0.03
Marital status unknown	-0.10	0.91	0.19	0.62	0.11
DI- only at baseline	-0.76	0.47	0.20	0.00	0.12
SSI- only at baseline	-0.65	0.52	0.15	<.0001	0.60
DAC	-0.35	0.71	0.20	0.08	0.13
Rep payee	0.09	1.10	0.13	0.48	0.66
Psychiatric	-0.70	0.50	0.17	<.0001	0.46
Musculoskeletal	0.22	1.25	0.38	0.56	0.02
Intellectual	-0.61	0.55	0.20	0.00	0.28
Sensory/communication	-0.97	0.38	0.33	0.00	0.04
Other nervous system	-0.12	0.89	0.25	0.63	0.07
1st eligibility <24 mo.	0.27	1.30	0.20	0.18	0.11
1st eligibility 24- 59 mo.	0.56	1.75	0.17	0.00	0.19
1st eligibility 60-119 mo.	0.12	1.13	0.16	0.43	0.21
Employed at intake	0.40	1.50	0.17	0.02	0.19
Looking for work at intake	0.22	1.25	0.15	0.12	0.43
Months from baseline assessment through Dec 2010	0.11	1.12	0.03	0.00	11.60
Employment goal	0.38	1.46	0.14	0.01	0.62
Education goal	-0.06	0.94	0.13	0.66	0.37
SSA/Ticket to Work referral	-0.04	0.96	0.26	0.89	0.11
Service provider referral	0.34	1.41	0.21	0.11	0.46
WIPA outreach	-0.56	0.57	0.25	0.03	0.25
Non-SSA agency referral	-0.09	0.91	0.28	0.74	0.09
3- 6 hours WIPA services	0.36	1.43	0.17	0.04	0.53
> 6 hours WIPA services	0.69	1.99	0.21	0.00	0.14
Referral/discussion of any incentive	-0.22	0.80	0.18	0.22	0.75

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10, Sample size = 1,747.

Note: Bold type Indicates statistical significance at the 0.05 level.

Table B.13. Logistic Regression Model of the Likelihood of Using Any Work Incentive by December 2010: DI Beneficiary Sample Members Not Using Any Work Incentives at Baseline Assessment

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age <25	<b>0.54</b>	<b>1.72</b>	<b>0.17</b>	<b>0.00</b>	<b>0.06</b>
Age 25- 29	<b>0.50</b>	<b>1.64</b>	<b>0.14</b>	<b>0.00</b>	<b>0.07</b>
Age 30-34	0.01	1.01	0.14	0.97	0.08
Age 35-39	0.05	1.05	0.12	0.71	0.10
Age 40-44	-0.19	0.83	0.12	0.10	0.12
Age 45-54	0.00	1.00	0.09	0.97	0.34
HS	0.26	1.30	0.14	0.06	0.27
Beyond HS	<b>0.54</b>	<b>1.71</b>	<b>0.14</b>	<b>0.00</b>	<b>0.30</b>
Education unknown	0.36	1.43	0.14	0.01	0.35
Male	-0.16	0.85	0.07	0.01	0.51
Married	0.18	1.20	0.08	0.03	0.19
Marital status unknown	-0.03	0.97	0.10	0.78	0.17
DI- only at baseline	-0.34	0.71	0.08	<.001	0.66
DAC	-0.28	0.76	0.16	0.09	0.06
Rep payee	-0.21	0.81	0.09	0.02	0.24
Psychiatric	0.01	1.01	0.09	0.93	0.44
Musculoskeletal	0.00	1.00	0.10	0.97	0.16
Intellectual	-0.10	0.91	0.16	0.54	0.08
Sensory/communication	-0.01	0.99	0.17	0.97	0.04
Other nervous system	0.07	1.08	0.14	0.59	0.07
1st eligibility <24 mo.	<b>0.40</b>	<b>1.49</b>	<b>0.10</b>	<.001	<b>0.18</b>
1st eligibility 24-59 mo.	0.06	1.06	0.09	0.52	0.22
1st eligibility 60-119 mo.	0.09	1.10	0.09	0.30	0.22
SSA benefit <500	-0.30	0.74	0.19	0.11	0.04
SSA benefit 500- 999	-0.20	0.82	0.10	0.05	0.51
SSA benefit 1000 - 1500	-0.11	0.90	0.10	0.27	0.29
Employed at intake	0.25	1.28	0.09	0.01	0.24
Looking for work at intake	0.24	1.28	0.08	0.00	0.47
Months from baseline assessment through Dec 2010	0.04	1.04	0.02	0.02	11.36
Employment goal	0.14	1.15	0.08	0.06	0.68
Education goal	0.05	1.05	0.08	0.55	0.19
SSA/Ticket to Work referral	0.37	1.45	0.13	0.01	0.22
Service provider referral	0.77	2.15	0.12	<.001	0.44
WIPA outreach	0.10	1.10	0.15	0.53	0.12
Non-SSA agency referral	0.20	1.23	0.15	0.18	0.12
3- 6 hours WIPA services	0.23	1.25	0.08	0.01	0.49
> 6 hours WIPA services	0.55	1.73	0.10	<.001	0.14
Referral/discussion of any incentive	0.00	1.00	0.10	0.99	0.84

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 5,378.

Note: Bold type indicates statistical significance at the 0.05 level.

Table B.14. Logistic Regression Model of the Likelihood of Using Any Work Incentive by December 2010: SSI Recipient Sample Members Not Using Any Work Incentives at Baseline Assessment

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age < 25	<b>0.33</b>	<b>1.39</b>	<b>0.16</b>	<b>0.04</b>	<b>0.28</b>
Age 25- 29	<b>0.57</b>	<b>1.76</b>	<b>0.17</b>	<b>0.00</b>	<b>0.11</b>
Age 30- 34	<b>0.45</b>	<b>1.58</b>	<b>0.18</b>	<b>0.01</b>	<b>0.08</b>
Age 35-39	0.32	1.38	0.17	0.06	0.09
Age 40-44	-0.05	0.95	0.17	0.77	0.10
Age 45-54	0.09	1.09	0.14	0.54	0.23
HS	<b>0.28</b>	<b>1.32</b>	<b>0.13</b>	<b>0.03</b>	<b>0.31</b>
Beyond HS	<b>0.41</b>	<b>1.50</b>	<b>0.14</b>	<b>0.00</b>	<b>0.19</b>
Education unknown	0.19	1.21	0.13	0.15	0.37
Male	-0.10	0.91	0.08	0.20	0.52
Married	0.14	1.15	0.14	0.30	0.08
Marital status unknown	-0.10	0.90	0.12	0.39	0.14
SSI-only at baseline	-0.40	0.67	0.21	0.06	0.52
Rep payee	-0.13	0.88	0.09	0.17	0.41
Psychiatric	-0.27	0.76	0.11	0.01	0.48
Musculoskeletal	-0.15	0.86	0.16	0.34	0.08
Intellectual	-0.26	0.77	0.14	0.06	0.17
Sensory/communication	-0.31	0.73	0.23	0.17	0.03
Other nervous system	-0.29	0.75	0.19	0.12	0.06
1st eligibility <24 mo.	0.23	1.26	0.12	0.06	0.13
1st eligibility 24-59 mo.	0.17	1.19	0.11	0.13	0.14
1st eligibility 60-119 mo.	-0.07	0.93	0.11	0.50	0.17
SSA benefit <500	0.10	1.10	0.24	0.68	0.55
SSA benefit 500-999	-0.01	0.99	0.14	0.94	0.34
Employed at intake	<b>0.60</b>	<b>1.83</b>	<b>0.11</b>	<b>&lt;.001</b>	<b>0.20</b>
Looking for work at intake	0.25	1.29	0.09	0.01	0.46
Months from baseline assessment through Dec 2010	<b>0.08</b>	<b>1.09</b>	<b>0.02</b>	<b>&lt;.001</b>	<b>11.49</b>
Employment goal	0.14	1.15	0.09	0.13	0.64
Education goal	0.11	1.12	0.09	0.21	0.28
SSA/Ticket to Work referral	0.06	1.06	0.17	0.73	0.16
Service provider referral	<b>0.62</b>	<b>1.86</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.45</b>
WIPA outreach	-0.53	0.59	0.18	0.00	0.18
Non-SSA agency referral	-0.14	0.87	0.18	0.44	0.12
3- 6 hours WIPA services	0.27	1.31	0.11	0.01	0.52
> 6 hours WIPA services	<b>0.64</b>	<b>1.90</b>	<b>0.14</b>	<b>&lt;.001</b>	<b>0.13</b>
Referral/discussion of any incentive	-0.11	0.90	0.12	0.35	0.75

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 3,869.

Note: Bold type indicates statistical significance at the 0.05 level.

APPENDIX C

MULTIVARIATE MODELS OF EMPLOYMENT AND EARNINGS

Table C.1. Logistic Regression Model of the Likelihood of Employment in 2010: Full Sample

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
Age less than 25	0.92	2.51	0.10	<.001	0.15
Age 25- 29	0.50	1.65	0.10	<.001	0.08
Age 30- 34	0.36	1.44	0.10	0.00	0.08
Age 35- 39	0.27	1.30	0.09	0.00	0.09
Age 40-44	0.11	1.11	0.08	0.19	0.12
Age 45-54	0.07	1.08	0.06	0.25	0.30
HS	-0.22	0.81	0.08	0.01	0.28
Beyond HS	-0.06	0.94	0.09	0.48	0.28
Education unknown	-0.14	0.87	0.08	0.10	0.36
Male	-0.24	0.79	0.04	<.001	0.51
Married	0.00	1.00	0.06	0.95	0.16
Marital status unknown	0.04	1.05	0.06	0.48	0.17
DI- only	0.38	1.46	0.06	<.001	0.50
SSI- only	-0.53	0.59	0.13	<.001	0.25
DAC	-0.20	0.82	0.10	0.05	0.05
Rep payee	-0.07	0.93	0.06	0.21	0.30
Psychiatric	0.12	1.13	0.06	0.04	0.44
Musculoskeletal	0.11	1.12	0.08	0.15	0.13
Intellectual	0.29	1.34	0.09	0.00	0.12
Sensory/communication	0.19	1.21	0.11	0.09	0.05
Other nervous system	-0.07	0.93	0.10	0.47	0.06
1st eligibility < 24 mo.	0.25	1.28	0.07	0.00	0.14
1st eligibility 24-59 mo.	-0.06	0.94	0.06	0.34	0.19
1st eligibility 60- 119 mo.	-0.17	0.85	0.06	0.00	0.23
SSA benefit <500	-0.03	0.97	0.14	0.84	0.29
SSA benefit 500- 999	-0.29	0.75	0.08	0.00	0.38
SSA benefit 1000 - 1500	-0.16	0.86	0.08	0.04	0.21
Employed at intake	2.35	10.49	0.07	<.001	0.28
Looking for work at intake	0.36	1.43	0.05	<.001	0.44
Months from baseline assessment through Dec 2010	-0.02	0.98	0.01	0.03	11.40
Employment goal	0.11	1.11	0.05	0.03	0.68
Education goal	-0.20	0.82	0.05	0.00	0.22
SSA/Ticket to Work referral	0.10	1.10	0.09	0.28	0.17
Service provider referral	0.08	1.09	0.08	0.29	0.49
WIPA outreach	-0.11	0.89	0.09	0.23	0.13
Non-SSA agency referral	-0.09	0.92	0.10	0.38	0.11
3- 6 hours WIPA services	0.10	1.11	0.05	0.04	0.49
> 6 hours WIPA services	0.33	1.39	0.07	<.001	0.15

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 11,275.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.2. Logistic Regression Model of the Likelihood of Employment in 2010: Sample Members Under Age 30

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>0.48</b>	<b>1.62</b>	<b>0.11</b>	<b>&lt;.001</b>	<b>0.64</b>
HS	-0.12	0.89	0.16	0.43	0.33
Beyond HS	0.10	1.11	0.18	0.57	0.15
Education unknown	-0.18	0.84	0.16	0.26	0.40
Male	0.02	1.02	0.09	0.86	0.60
Married	0.06	1.07	0.25	0.80	0.03
Marital status unknown	-0.12	0.89	0.15	0.43	0.12
DI-only	0.13	1.14	0.15	0.39	0.13
<b>SSI- only</b>	<b>-0.48</b>	<b>0.62</b>	<b>0.12</b>	<b>&lt;.001</b>	<b>0.57</b>
<b>DAC</b>	<b>-0.39</b>	<b>0.68</b>	<b>0.15</b>	<b>0.01</b>	<b>0.12</b>
<b>Rep payee</b>	<b>-0.20</b>	<b>0.82</b>	<b>0.10</b>	<b>0.05</b>	<b>0.66</b>
Psychiatric	-0.01	0.99	0.14	0.92	0.44
Musculoskeletal	-0.44	0.64	0.34	0.19	0.02
Intellectual	0.03	1.03	0.16	0.87	0.28
Sensory/communication	-0.12	0.89	0.23	0.60	0.05
Other nervous system	-0.14	0.87	0.20	0.49	0.08
<b>1st eligibility &lt; 24 mo.</b>	<b>-0.37</b>	<b>0.69</b>	<b>0.17</b>	<b>0.02</b>	<b>0.10</b>
1st eligibility 24-59 mo.	0.05	1.05	0.13	0.70	0.21
<b>1st eligibility 60- 119 mo.</b>	<b>-0.30</b>	<b>0.74</b>	<b>0.12</b>	<b>0.01</b>	<b>0.23</b>
<b>Employed at intake</b>	<b>2.33</b>	<b>10.23</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.27</b>
<b>Looking for work at intake</b>	<b>0.32</b>	<b>1.37</b>	<b>0.11</b>	<b>0.00</b>	<b>0.41</b>
Months from baseline assessment through Dec 2010	-0.02	0.98	0.02	0.43	11.57
Employment goal	0.14	1.15	0.10	0.18	0.65
<b>Education goal</b>	<b>-0.21</b>	<b>0.81</b>	<b>0.10</b>	<b>0.04</b>	<b>0.34</b>
SSA/Ticket to Work referral	-0.19	0.83	0.21	0.37	0.10
Service provider referral	-0.11	0.90	0.17	0.53	0.52
WIPA outreach	-0.33	0.72	0.19	0.09	0.21
Non-SSA agency referral	-0.14	0.87	0.22	0.51	0.09
3-6 hours WIPA services	0.08	1.08	0.10	0.45	0.53
<b>&gt; 6 hours WIPA services</b>	<b>0.37</b>	<b>1.45</b>	<b>0.15</b>	<b>0.01</b>	<b>0.16</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 2,568.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table C.3. Logistic Regression Model of the Likelihood of Employment in 2010: Sample Members Who Entered Services in 2009 and Were Not Employed at Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>0.91</b>	<b>2.47</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.18</b>
<b>Age 25- 29</b>	<b>0.35</b>	<b>1.42</b>	<b>0.16</b>	<b>0.02</b>	<b>0.08</b>
Age 30-34	0.13	1.14	0.16	0.40	0.07
Age 35-39	0.14	1.15	0.14	0.34	0.09
Age 40-44	0.03	1.03	0.13	0.85	0.11
Age 45-54	-0.12	0.89	0.10	0.24	0.28
HS	-0.18	0.83	0.14	0.19	0.25
Beyond HS	0.05	1.05	0.14	0.72	0.26
Education unknown	0.02	1.02	0.14	0.86	0.41
<b>Male</b>	<b>-0.25</b>	<b>0.78</b>	<b>0.07</b>	<b>0.00</b>	<b>0.53</b>
Married	0.02	1.03	0.10	0.81	0.15
Marital status unknown	-0.03	0.97	0.10	0.79	0.18
<b>DI- only</b>	<b>0.36</b>	<b>1.43</b>	<b>0.09</b>	<b>0.00</b>	<b>0.46</b>
<b>SSI- only</b>	<b>-0.65</b>	<b>0.52</b>	<b>0.23</b>	<b>0.00</b>	<b>0.28</b>
DAC	-0.18	0.83	0.17	0.28	0.05
Rep payee	-0.08	0.92	0.09	0.36	0.31
<b>Psychiatric</b>	<b>0.18</b>	<b>1.20</b>	<b>0.09</b>	<b>0.05</b>	<b>0.44</b>
Musculoskeletal	0.21	1.24	0.12	0.07	0.13
Intellectual	0.26	1.30	0.14	0.06	0.11
Sensory/communication	0.21	1.24	0.18	0.23	0.04
Other nervous system	-0.18	0.84	0.16	0.25	0.06
<b>1st eligibility &lt; 24 mo.</b>	<b>0.39</b>	<b>1.48</b>	<b>0.11</b>	<b>0.00</b>	<b>0.14</b>
1st eligibility 24-59 mo.	-0.09	0.91	0.10	0.33	0.20
1st eligibility 60-119 mo.	-0.14	0.87	0.09	0.13	0.22
SSA benefit <500	0.04	1.04	0.24	0.86	0.31
<b>SSA benefit 500- 999</b>	<b>-0.30</b>	<b>0.74</b>	<b>0.12</b>	<b>0.02</b>	<b>0.36</b>
SSA benefit 1000 - 1500	-0.22	0.81	0.12	0.07	0.21
<b>Looking for work at intake</b>	<b>0.38</b>	<b>1.46</b>	<b>0.07</b>	<b>&lt;.001</b>	<b>0.57</b>
<b>Months from baseline assessment through Dec 2010</b>	<b>-0.05</b>	<b>0.95</b>	<b>0.02</b>	<b>0.01</b>	<b>12.71</b>
Employment goal	0.05	1.05	0.08	0.53	0.64
<b>Education goal</b>	<b>-0.27</b>	<b>0.76</b>	<b>0.08</b>	<b>0.00</b>	<b>0.26</b>
SSA/Ticket to Work referral	0.05	1.05	0.15	0.72	0.16
Service provider referral	-0.03	0.97	0.13	0.84	0.48
WIPA outreach	-0.18	0.83	0.15	0.22	0.18
Non-SSA agency referral	-0.18	0.83	0.17	0.28	0.09
<b>3- 6 hours WIPA services</b>	<b>0.37</b>	<b>1.45</b>	<b>0.09</b>	<b>&lt;.001</b>	<b>0.50</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.73</b>	<b>2.07</b>	<b>0.11</b>	<b>&lt;.001</b>	<b>0.15</b>
<b>Suggested looking for job/taking job offer</b>	<b>-0.43</b>	<b>0.65</b>	<b>0.08</b>	<b>&lt;.001</b>	<b>0.37</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 3,896.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table C.4. Logistic Regression Model of the Likelihood of Employment in 2010: Sample Members Under Age 30 Who Entered Services in 2009 and Were Not Employed at Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>0.63</b>	<b>1.87</b>	<b>0.18</b>	<b>0.00</b>	<b>0.69</b>
HS	-0.35	0.70	0.26	0.17	0.25
Beyond HS	-0.02	0.98	0.30	0.95	0.13
Education unknown	-0.22	0.80	0.25	0.38	0.53
Male	-0.01	0.99	0.14	0.95	0.62
Married	-0.27	0.76	0.38	0.47	0.03
Marital status unknown	-0.12	0.89	0.23	0.59	0.11
DI-only	0.12	1.13	0.25	0.62	0.11
<b>SSI-only</b>	<b>-0.42</b>	<b>0.66</b>	<b>0.19</b>	<b>0.03</b>	<b>0.65</b>
DAC	-0.26	0.77	0.24	0.28	0.11
Rep payee	-0.15	0.86	0.15	0.33	0.68
Psychiatric	0.02	1.02	0.20	0.92	0.44
Musculoskeletal	-0.42	0.66	0.46	0.36	0.03
Intellectual	0.16	1.17	0.23	0.49	0.26
Sensory/communication	0.00	1.01	0.34	0.99	0.05
Other nervous system	-0.23	0.79	0.30	0.43	0.08
1st eligibility <24 mo.	-0.15	0.86	0.27	0.57	0.08
1st eligibility 24-59 mo.	0.04	1.05	0.20	0.82	0.18
1st eligibility 60-119 mo.	-0.29	0.75	0.18	0.10	0.20
Looking for work at intake	0.29	1.34	0.16	0.06	0.47
Months from baseline assessment through Dec 2010	-0.06	0.94	0.04	0.14	12.80
Employment goal	0.10	1.10	0.15	0.53	0.56
Education goal	<b>-0.30</b>	<b>0.74</b>	<b>0.15</b>	<b>0.05</b>	<b>0.39</b>
SSA/Ticket to Work referral	0.24	1.27	0.36	0.50	0.08
Service provider referral	0.04	1.04	0.29	0.89	0.45
WIPA outreach	-0.44	0.65	0.32	0.17	0.36
Non-SSA agency referral	0.43	1.54	0.41	0.29	0.05
<b>3- 6 hours WIPA services</b>	<b>0.53</b>	<b>1.69</b>	<b>0.17</b>	<b>0.00</b>	<b>0.56</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.88</b>	<b>2.40</b>	<b>0.24</b>	<b>0.00</b>	<b>0.13</b>
<b>Suggested looking for job/taking job offer</b>	<b>-0.48</b>	<b>0.62</b>	<b>0.16</b>	<b>0.00</b>	<b>0.37</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 1,035.

Note: Bold type indicates statistical significance at the 0.05 level.



**Table C.5. Logistic Regression Model of the Likelihood of Employment in 2010: DI Beneficiary Sample Members Who Entered Services in 2009 and Were Not Employed at Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>1.04</b>	<b>2.84</b>	<b>0.23</b>	<b>&lt;.001</b>	<b>0.06</b>
<b>Age 25- 29</b>	<b>0.38</b>	<b>1.46</b>	<b>0.18</b>	<b>0.04</b>	<b>0.07</b>
Age 30-34	0.12	1.13	0.17	0.48	0.08
Age 35-39	0.22	1.24	0.16	0.17	0.09
Age 40-44	-0.04	0.96	0.14	0.76	0.13
Age 45-54	-0.09	0.91	0.11	0.40	0.34
HS	-0.04	0.96	0.18	0.83	0.25
Beyond HS	0.22	1.24	0.18	0.22	0.31
Education unknown	0.27	1.32	0.17	0.12	0.37
<b>Male</b>	<b>-0.29</b>	<b>0.75</b>	<b>0.08</b>	<b>0.00</b>	<b>0.51</b>
Married	0.02	1.02	0.11	0.88	0.19
Marital status unknown	-0.05	0.95	0.12	0.66	0.19
<b>DI- only</b>	<b>0.39</b>	<b>1.48</b>	<b>0.10</b>	<b>&lt;.001</b>	<b>0.65</b>
<b>DAC</b>	<b>-0.50</b>	<b>0.60</b>	<b>0.22</b>	<b>0.02</b>	<b>0.05</b>
Rep payee	-0.06	0.94	0.11	0.61	0.23
<b>Psychiatric</b>	<b>0.25</b>	<b>1.28</b>	<b>0.11</b>	<b>0.02</b>	<b>0.43</b>
<b>Musculoskeletal</b>	<b>0.28</b>	<b>1.32</b>	<b>0.13</b>	<b>0.03</b>	<b>0.17</b>
<b>Intellectual</b>	<b>0.49</b>	<b>1.63</b>	<b>0.20</b>	<b>0.02</b>	<b>0.06</b>
<b>Sensory/communication</b>	<b>0.40</b>	<b>1.49</b>	<b>0.21</b>	<b>0.05</b>	<b>0.04</b>
Other nervous system	-0.01	0.99	0.18	0.97	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>0.33</b>	<b>1.39</b>	<b>0.13</b>	<b>0.01</b>	<b>0.17</b>
1st eligibility 24-59 mo.	-0.19	0.83	0.11	0.10	0.23
<b>1st eligibility 60- 119 mo.</b>	<b>-0.22</b>	<b>0.80</b>	<b>0.11</b>	<b>0.05</b>	<b>0.24</b>
SSA benefit <500	0.02	1.02	0.24	0.93	0.04
<b>SSA benefit 500- 999</b>	<b>-0.30</b>	<b>0.74</b>	<b>0.12</b>	<b>0.01</b>	<b>0.50</b>
SSA benefit 1000 - 1500	-0.22	0.81	0.12	0.08	0.29
<b>Looking for work at intake</b>	<b>0.41</b>	<b>1.51</b>	<b>0.08</b>	<b>&lt;.001</b>	<b>0.61</b>
<b>Months from baseline assessment through Dec 2010</b>	<b>-0.06</b>	<b>0.94</b>	<b>0.02</b>	<b>0.01</b>	<b>12.68</b>
Employment goal	-0.04	0.96	0.09	0.65	0.66
<b>Education goal</b>	<b>-0.24</b>	<b>0.78</b>	<b>0.10</b>	<b>0.02</b>	<b>0.21</b>
SSA/Ticket to Work referral	0.11	1.12	0.16	0.49	0.18
Service provider referral	-0.05	0.95	0.15	0.73	0.50
WIPA outreach	-0.02	0.98	0.18	0.93	0.12
Non-SSA agency referral	-0.16	0.85	0.19	0.40	0.09
<b>3- 6 hours WIPA services</b>	<b>0.36</b>	<b>1.44</b>	<b>0.10</b>	<b>0.00</b>	<b>0.49</b>
<b>&gt; 6 hours WIPA services</b>	<b>0.67</b>	<b>1.96</b>	<b>0.13</b>	<b>&lt;.001</b>	<b>0.15</b>
<b>Suggested looking for job/taking job offer</b>	<b>-0.35</b>	<b>0.71</b>	<b>0.09</b>	<b>0.00</b>	<b>0.38</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 2,787.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table C.6. Logistic Regression Model of the Likelihood of Employment in 2010: SSI Recipient Sample Members Who Entered Services in 2009 and Were Not Employed at Entry**

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>1.11</b>	<b>3.03</b>	<b>0.21</b>	<b>&lt;.001</b>	<b>0.33</b>
<b>Age 25-29</b>	<b>0.64</b>	<b>1.90</b>	<b>0.22</b>	<b>0.00</b>	<b>0.11</b>
Age 30-34	0.28	1.32	0.24	0.25	0.08
Age 35-39	0.41	1.50	0.23	0.07	0.09
Age 40-44	0.37	1.45	0.22	0.10	0.09
Age 45-54	-0.04	0.96	0.19	0.82	0.20
<b>HS</b>	<b>-0.34</b>	<b>0.71</b>	<b>0.18</b>	<b>0.05</b>	<b>0.26</b>
Beyond HS	-0.05	0.95	0.19	0.78	0.20
Education unknown	-0.11	0.89	0.17	0.51	0.45
Male	-0.13	0.88	0.10	0.18	0.54
Married	0.10	1.10	0.19	0.61	0.07
Marital status unknown	0.08	1.08	0.14	0.57	0.16
SSI-only	-0.55	0.58	0.32	0.09	0.53
Rep payee	-0.08	0.92	0.12	0.48	0.44
Psychiatric	0.05	1.05	0.14	0.72	0.48
Musculoskeletal	0.34	1.41	0.20	0.09	0.08
Intellectual	0.20	1.22	0.17	0.25	0.17
Sensory/communication	-0.09	0.92	0.27	0.75	0.04
Other nervous system	-0.36	0.70	0.24	0.13	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>0.49</b>	<b>1.64</b>	<b>0.17</b>	<b>0.00</b>	<b>0.11</b>
1st eligibility 24-59 mo.	0.05	1.06	0.14	0.70	0.15
1st eligibility 60-119 mo.	0.07	1.07	0.13	0.60	0.17
SSA benefit <\$00	0.05	1.05	0.35	0.90	0.55
SSA benefit 500-999	-0.24	0.79	0.18	0.18	0.35
<b>Looking for work at intake</b>	<b>0.37</b>	<b>1.45</b>	<b>0.10</b>	<b>0.00</b>	<b>0.52</b>
Months from baseline assessment through Dec 2010	-0.04	0.96	0.03	0.11	12.71
Employment goal	0.08	1.08	0.11	0.45	0.61
<b>Education goal</b>	<b>-0.23</b>	<b>0.80</b>	<b>0.11</b>	<b>0.04</b>	<b>0.31</b>
SSA/Ticket to Work referral	0.30	1.35	0.22	0.17	0.13
Service provider referral	0.16	1.18	0.19	0.39	0.46
WIPA outreach	-0.09	0.92	0.21	0.67	0.23
Non-SSA agency referral	-0.03	0.97	0.24	0.91	0.09
<b>3-6 hours WIPA services</b>	<b>0.38</b>	<b>1.46</b>	<b>0.12</b>	<b>0.00</b>	<b>0.53</b>
<b>&gt;6 hours WIPA services</b>	<b>0.75</b>	<b>2.12</b>	<b>0.16</b>	<b>&lt;.001</b>	<b>0.14</b>
<b>Suggested looking for job/taking job offer</b>	<b>-0.45</b>	<b>0.64</b>	<b>0.11</b>	<b>&lt;.001</b>	<b>0.38</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 2,086.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.7. Logistic Regression Model of the Likelihood of an Increase in Earnings from 2009 to 2010: Sample Members Who Entered Services in 2009

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
Age less than 25	<b>0.85</b>	<b>2.33</b>	<b>0.13</b>	<b>&lt;.001</b>	<b>0.17</b>
Age 25- 29	<b>0.38</b>	<b>1.46</b>	<b>0.14</b>	<b>0.01</b>	<b>0.08</b>
Age 30- 34	<b>0.26</b>	<b>1.30</b>	<b>0.13</b>	<b>0.05</b>	<b>0.07</b>
Age 35- 39	<b>0.28</b>	<b>1.33</b>	<b>0.12</b>	<b>0.02</b>	<b>0.09</b>
Age 40-44	0.17	1.18	0.11	0.14	0.12
Age 45-54	-0.01	0.99	0.09	0.89	0.28
HS	<b>-0.34</b>	<b>0.72</b>	<b>0.12</b>	<b>0.00</b>	<b>0.27</b>
Beyond HS	-0.19	0.83	0.12	0.12	0.27
Education unknown	<b>-0.24</b>	<b>0.79</b>	<b>0.12</b>	<b>0.04</b>	<b>0.38</b>
Male	<b>-0.17</b>	<b>0.84</b>	<b>0.06</b>	<b>0.00</b>	<b>0.52</b>
Married	0.04	1.04	0.09	0.63	0.15
Marital status unknown	-0.03	0.97	0.09	0.75	0.17
DI- only	<b>0.30</b>	<b>1.35</b>	<b>0.08</b>	<b>0.00</b>	<b>0.48</b>
SSI-only	0.01	1.01	0.17	0.94	0.26
DAC	0.00	1.00	0.14	0.99	0.05
Rep payee	-0.12	0.88	0.08	0.12	0.32
Psychiatric	0.13	1.14	0.08	0.12	0.43
Musculoskeletal	<b>0.28</b>	<b>1.32</b>	<b>0.11</b>	<b>0.01</b>	<b>0.13</b>
Intellectual	<b>0.26</b>	<b>1.30</b>	<b>0.12</b>	<b>0.03</b>	<b>0.12</b>
Sensory/communication	-0.02	0.98	0.15	0.89	0.05
Other nervous system	0.00	1.00	0.14	0.98	0.06
1st eligibility <24 mo.	0.13	1.14	0.10	0.20	0.13
1st eligibility 24-59 mo.	0.06	1.06	0.09	0.49	0.19
1st eligibility 60-119 mo.	-0.03	0.97	0.08	0.68	0.23
SSA benefit <\$00	-0.24	0.79	0.18	0.19	0.30
SSA benefit 500-999	0.03	1.03	0.11	0.80	0.37
SSA benefit 1000 - 1500	-0.02	0.98	0.11	0.88	0.20
Employed at intake	<b>0.87</b>	<b>2.39</b>	<b>0.09</b>	<b>&lt;.001</b>	<b>0.27</b>
Looking for work at intake	<b>0.40</b>	<b>1.49</b>	<b>0.08</b>	<b>&lt;.001</b>	<b>0.41</b>
Months from baseline assessment through Dec 2010	<b>-0.04</b>	<b>0.96</b>	<b>0.02</b>	<b>0.01</b>	<b>12.73</b>
Employment goal	0.02	1.02	0.07	0.75	0.67
Education goal	<b>-0.24</b>	<b>0.79</b>	<b>0.08</b>	<b>0.00</b>	<b>0.23</b>
SSA/Ticket to Work referral	0.23	1.26	0.13	0.07	0.16
Service provider referral	0.21	1.24	0.11	0.06	0.49
WIPA outreach	-0.07	0.94	0.13	0.62	0.17
Non-SSA agency referral	-0.01	0.99	0.14	0.92	0.10
3- 6 hours WIPA services	<b>0.27</b>	<b>1.31</b>	<b>0.07</b>	<b>0.00</b>	<b>0.49</b>
> 6 hours WIPA services	<b>0.47</b>	<b>1.60</b>	<b>0.09</b>	<b>&lt;.001</b>	<b>0.17</b>
Suggested looking for a job/taking a job if offered	<b>-0.32</b>	<b>0.73</b>	<b>0.08</b>	<b>&lt;.001</b>	<b>0.29</b>
Suggested increasing hours/seeking promotion	<b>0.51</b>	<b>1.66</b>	<b>0.11</b>	<b>&lt;.001</b>	<b>0.09</b>
NSTW month before intake	0.20	1.22	0.15	0.17	0.05

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 5,371.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table C.8. Logistic Regression Model of the Likelihood of an Increase in Earnings from 2009 to 2010: Sample Members Under Age 30 Who Entered Services in 2009**

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
<b>Age less than 25</b>	<b>0.49</b>	<b>1.64</b>	<b>0.15</b>	<b>0.00</b>	<b>0.68</b>
<b>HS</b>	<b>-0.58</b>	<b>0.56</b>	<b>0.22</b>	<b>0.01</b>	<b>0.30</b>
Beyond HS	-0.32	0.73	0.26	0.22	0.13
<b>Education unknown</b>	<b>-0.50</b>	<b>0.61</b>	<b>0.22</b>	<b>0.02</b>	<b>0.47</b>
<b>Male</b>	<b>-0.12</b>	<b>0.89</b>	<b>0.13</b>	<b>0.34</b>	<b>0.61</b>
Married	0.13	1.14	0.36	0.71	0.03
Marital status unknown	-0.15	0.86	0.19	0.43	0.12
DI-only	0.02	1.02	0.22	0.94	0.11
SSI-only	-0.19	0.83	0.16	0.23	0.61
DAC	0.07	1.08	0.21	0.73	0.11
Rep payee	-0.22	0.81	0.14	0.12	0.68
Psychiatric	0.19	1.20	0.19	0.33	0.43
Musculoskeletal	-0.19	0.83	0.43	0.66	0.02
Intellectual	0.36	1.43	0.21	0.09	0.28
Sensory/communication	-0.04	0.96	0.31	0.89	0.05
Other nervous system	0.12	1.12	0.27	0.67	0.08
1st eligibility <24 mo.	-0.38	0.68	0.23	0.10	0.09
1st eligibility 24-59 mo.	0.10	1.11	0.18	0.56	0.19
1st eligibility 60-119 mo.	-0.16	0.85	0.16	0.32	0.21
<b>Employed at intake</b>	<b>0.76</b>	<b>2.13</b>	<b>0.19</b>	<b>&lt;.001</b>	<b>0.24</b>
<b>Looking for work at intake</b>	<b>0.44</b>	<b>1.55</b>	<b>0.16</b>	<b>0.01</b>	<b>0.35</b>
Months from baseline assessment through Dec 2010	-0.05	0.95	0.04	0.15	12.78
Employment goal	-0.01	0.99	0.14	0.91	0.60
<b>Education goal</b>	<b>-0.32</b>	<b>0.73</b>	<b>0.14</b>	<b>0.02</b>	<b>0.36</b>
SSA/Ticket to Work referral	0.06	1.06	0.31	0.86	0.08
Service provider referral	0.27	1.31	0.25	0.28	0.48
WIPA outreach	-0.52	0.60	0.28	0.06	0.31
Non-SSA agency referral	0.26	1.30	0.33	0.42	0.06
<b>3-6 hours WIPA services</b>	<b>0.40</b>	<b>1.50</b>	<b>0.15</b>	<b>0.01</b>	<b>0.54</b>
<b>&gt;6 hours WIPA services</b>	<b>0.72</b>	<b>2.06</b>	<b>0.20</b>	<b>0.00</b>	<b>0.16</b>
<b>Suggested looking for a job/taking a job if offered</b>	<b>-0.37</b>	<b>0.69</b>	<b>0.15</b>	<b>0.02</b>	<b>0.30</b>
Suggested increasing hours/seeking promotion	0.44	1.55	0.24	0.07	0.08
NSTW month before intake	0.20	1.22	0.27	0.47	0.06

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 1,363.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.9. Logistic Regression Model of the Likelihood of an Increase in Earnings from 2009 to 2010: DI Beneficiary Sample Members Who Entered Services in 2009

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
Age less than 25	0.87	2.40	0.18	<.001	0.06
Age 25- 29	0.35	1.42	0.16	0.03	0.07
Age 30-34	0.25	1.28	0.15	0.09	0.08
Age 35- 39	0.35	1.42	0.13	0.01	0.10
Age 40-44	0.15	1.16	0.12	0.23	0.13
Age 45-54	0.02	1.02	0.10	0.81	0.33
HS	-0.25	0.78	0.15	0.09	0.27
Beyond HS	-0.07	0.93	0.15	0.62	0.32
Education unknown	-0.06	0.95	0.15	0.70	0.35
Male	0.17	0.84	0.07	0.02	0.50
Married	0.03	1.03	0.09	0.76	0.19
Marital status unknown	-0.04	0.96	0.10	0.66	0.18
DI- only	0.33	1.38	0.09	0.00	0.65
DAC	0.21	0.81	0.17	0.21	0.06
Rep payee	-0.04	0.96	0.10	0.65	0.25
Psychiatric	0.15	1.16	0.09	0.12	0.43
Musculoskeletal	0.34	1.41	0.11	0.00	0.16
Intellectual	0.36	1.44	0.16	0.02	0.08
Sensory/communication	0.03	1.03	0.17	0.86	0.05
Other nervous system	0.05	1.05	0.16	0.77	0.06
1st eligibility <24 mo.	0.16	1.18	0.11	0.15	0.16
1st eligibility 24-59 mo.	0.01	1.01	0.10	0.92	0.22
1st eligibility 60-119 mo.	-0.04	0.96	0.09	0.63	0.24
SSA benefit <500	-0.21	0.81	0.18	0.24	0.05
SSA benefit 500-999	0.05	1.06	0.11	0.61	0.51
SSA benefit 1000 - 1500	0.00	1.00	0.11	0.97	0.28
Employed at intake	0.77	2.17	0.10	<.001	0.29
Looking for work at intake	0.37	1.45	0.09	<.001	0.43
Months from baseline assessment through Dec 2010	-0.05	0.95	0.02	0.01	12.70
Employment goal	-0.04	0.96	0.08	0.59	0.69
Education goal	0.20	0.82	0.09	0.03	0.19
SSA/Ticket to Work referral	0.38	1.47	0.14	0.01	0.18
Service provider referral	0.20	1.22	0.13	0.12	0.50
WIPA outreach	0.24	1.28	0.15	0.11	0.12
Non-SSA agency referral	0.05	1.05	0.16	0.75	0.10
3- 6 hours WIPA services	0.26	1.30	0.09	0.00	0.48
> 6 hours WIPA services	0.44	1.55	0.11	<.001	0.18
Suggested looking for a job/taking a job if offered	0.26	0.77	0.09	0.00	0.29
Suggested increasing hours/seeking promotion	0.51	1.66	0.12	<.001	0.10
NSTW month before intake	0.31	1.36	0.16	0.05	0.06

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 3,950.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.10. Logistic Regression Model of the Likelihood of an Increase in Earnings from 2009 to 2010: SSI Recipient Sample Members Who Entered Services in 2009

Variable	Coefficient	Odds Ratio	Std. Error	P-value	Variable Mean
Age less than 25	<b>0.93</b>	<b>2.54</b>	<b>0.18</b>	<b>&lt;.001</b>	<b>0.31</b>
Age 25- 29	<b>0.53</b>	<b>1.69</b>	<b>0.19</b>	<b>0.01</b>	<b>0.12</b>
Age 30-34	0.33	1.39	0.21	0.12	0.08
Age 35- 39	<b>0.40</b>	<b>1.49</b>	<b>0.20</b>	<b>0.05</b>	<b>0.09</b>
Age 40-44	0.14	1.15	0.20	0.47	0.10
Age 45-54	-0.09	0.92	0.17	0.61	0.20
HS	<b>-0.45</b>	<b>0.64</b>	<b>0.15</b>	<b>0.00</b>	<b>0.30</b>
Beyond HS	-0.25	0.78	0.16	0.12	0.20
Education unknown	<b>-0.35</b>	<b>0.71</b>	<b>0.15</b>	<b>0.02</b>	<b>0.40</b>
Male	-0.13	0.88	0.09	0.15	0.53
Married	0.08	1.08	0.17	0.64	0.07
Marital status unknown	-0.01	0.99	0.13	0.96	0.15
SSI-only	0.21	1.24	0.22	0.34	0.51
Rep payee	-0.13	0.88	0.10	0.22	0.45
Psychiatric	0.18	1.19	0.13	0.16	0.47
Musculoskeletal	0.34	1.41	0.19	0.07	0.08
Intellectual	<b>0.33</b>	<b>1.40</b>	<b>0.16</b>	<b>0.03</b>	<b>0.19</b>
Sensory/communication	-0.18	0.83	0.24	0.44	0.04
Other nervous system	0.07	1.07	0.21	0.76	0.06
1st eligibility <24 mo.	0.01	1.02	0.15	0.92	0.10
1st eligibility 24-59 mo.	0.10	1.10	0.13	0.44	0.14
1st eligibility 60-119 mo.	0.03	1.03	0.12	0.80	0.17
SSA benefit <500	<b>-0.54</b>	<b>0.58</b>	<b>0.26</b>	<b>0.04</b>	<b>0.55</b>
SSA benefit 500-999	-0.08	0.92	0.16	0.61	0.36
Employed at intake	<b>0.96</b>	<b>2.61</b>	<b>0.13</b>	<b>&lt;.001</b>	<b>0.25</b>
Looking for work at intake	<b>0.39</b>	<b>1.47</b>	<b>0.11</b>	<b>0.00</b>	<b>0.39</b>
Months from baseline assessment through Dec 2010	-0.04	0.96	0.03	0.08	12.73
Employment goal at intake	-0.02	0.98	0.10	0.86	0.64
Education goal	<b>-0.23</b>	<b>0.79</b>	<b>0.10</b>	<b>0.02</b>	<b>0.29</b>
SSA/Ticket to Work referral	0.22	1.24	0.19	0.26	0.12
Service provider referral	0.26	1.29	0.16	0.12	0.48
WIPA outreach	-0.29	0.75	0.19	0.12	0.21
Non-SSA agency referral	-0.07	0.94	0.20	0.75	0.10
3- 6 hours WIPA services	0.25	1.28	0.11	0.02	0.52
> 6 hours WIPA services	<b>0.48</b>	<b>1.62</b>	<b>0.14</b>	<b>0.00</b>	<b>0.16</b>
Suggested looking for a job/taking a job if offered	<b>-0.33</b>	<b>0.72</b>	<b>0.11</b>	<b>0.00</b>	<b>0.30</b>
Suggested increasing hours/seeking promotion	<b>0.50</b>	<b>1.65</b>	<b>0.16</b>	<b>0.00</b>	<b>0.08</b>
NSTW month before intake	0.17	1.18	0.16	0.29	0.08

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 2,793.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.11. Least-Squares Regression Model of the Change in Earnings from 2009 to 2010: All Sample Members Who Entered Services in 2009

Variable	Coefficient	Std. Error	P-value	Variable Mean
Age less than 25	<b>2,106.86</b>	372.65	<.001	0.17
Age 25- 29	<b>1,966.14</b>	391.10	<.001	0.08
Age 30- 34	<b>1,175.12</b>	384.73	0.00	0.07
Age 35- 39	<b>1,322.32</b>	354.64	0.00	0.09
Age 40- 44	<b>1,173.85</b>	321.89	0.00	0.12
Age 45- 54	<b>710.64</b>	256.18	0.01	0.28
HS	-295.01	337.62	0.38	0.27
Beyond HS	-262.15	347.78	0.45	0.27
Education unknown	-8.98	336.67	0.98	0.38
Male	-188.71	172.98	0.28	0.52
Married	146.11	253.81	0.56	0.15
Marital status unknown	-138.97	251.49	0.58	0.17
DI-only	375.54	237.67	0.11	0.48
SSI-only	386.31	491.82	0.43	0.26
DAC	-51.20	401.45	0.90	0.05
<b>Rep payee</b>	<b>-648.54</b>	<b>223.76</b>	<b>0.00</b>	<b>0.32</b>
Psychiatric	-235.91	234.22	0.31	0.43
Musculoskeletal	112.38	301.89	0.71	0.13
Intellectual	-341.70	342.51	0.32	0.12
Sensory/communication	-213.43	425.49	0.62	0.05
Other nervous system	-291.17	390.47	0.46	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>-1,362.02</b>	<b>285.60</b>	<b>&lt;.001</b>	<b>0.13</b>
1st eligibility 24-59 mo.	149.92	244.63	0.54	0.19
1st eligibility 60-119 mo.	-16.43	229.04	0.94	0.23
SSA benefit <500	-778.18	514.08	0.13	0.30
SSA benefit 500-999	-50.30	307.27	0.87	0.37
SSA benefit 1000 - 1500	255.64	310.05	0.41	0.20
<b>Employed at intake</b>	<b>1,025.12</b>	<b>244.42</b>	<b>&lt;.001</b>	<b>0.27</b>
<b>Looking for work at intake</b>	<b>546.59</b>	<b>210.81</b>	<b>0.01</b>	<b>0.41</b>
Months from baseline assessment through Dec 2010	-62.42	50.39	0.22	12.73
Employment goal	25.99	195.58	0.89	0.67
<b>Education goal</b>	<b>-606.58</b>	<b>214.75</b>	<b>0.00</b>	<b>0.23</b>
<b>SSA/Ticket to Work referral</b>	<b>695.72</b>	<b>359.24</b>	<b>0.05</b>	<b>0.16</b>
Service provider referral	224.90	315.48	0.48	0.49
WIPA outreach	77.68	363.69	0.83	0.17
Non-SSA agency referral	-181.61	398.92	0.65	0.10
3-6 hours WIPA services	227.21	200.33	0.26	0.49
<b>&gt; 6 hours WIPA services</b>	<b>694.89</b>	<b>265.61</b>	<b>0.01</b>	<b>0.17</b>
Suggested increasing hours/seeking promotion	399.29	320.07	0.21	0.09
<b>Suggested earning enough to leave benefits</b>	<b>657.69</b>	<b>258.08</b>	<b>0.01</b>	<b>0.14</b>
<b>NSTW month before intake</b>	<b>-1,307.79</b>	<b>424.57</b>	<b>0.00</b>	<b>0.05</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 5,371.

Note: Bold type indicates statistical significance at the 0.05 level.

Table C.12. Least-Squares Regression Model of the Change in Earnings from 2009 to 2010: Sample Members Under Age 30 Who Entered Services in 2009

Variable	Coefficient	Std. Error	P-value	Variable Mean
Age less than 25	280.12	311.55	0.37	0.68
HS	-325.09	467.08	0.49	0.30
Beyond HS	488.10	548.50	0.37	0.13
Education unknown	-152.21	464.89	0.74	0.47
Male	200.81	260.13	0.44	0.61
Married	1,183.24	774.98	0.13	0.03
Marital status unknown	-351.54	403.44	0.38	0.12
DI-only	-100.79	462.49	0.83	0.11
SSI-only	-122.10	339.93	0.72	0.61
DAC	5.58	443.05	0.99	0.11
<b>Rep payee</b>	<b>-737.37</b>	<b>288.53</b>	<b>0.01</b>	<b>0.68</b>
Psychiatric	-507.60	386.08	0.19	0.43
Musculoskeletal	-1,391.57	872.27	0.11	0.02
Intellectual	-488.17	427.67	0.25	0.28
Sensory/communication	-738.36	639.10	0.25	0.05
Other nervous system	-155.72	561.98	0.78	0.08
<b>1st eligibility &lt;24 mo.</b>	<b>-1,763.33</b>	<b>489.13</b>	<b>0.00</b>	<b>0.09</b>
1st eligibility 24-59 mo.	146.67	368.49	0.69	0.19
1st eligibility 60-119 mo.	30.06	333.67	0.93	0.21
<b>Employed at intake</b>	<b>1,116.89</b>	<b>391.23</b>	<b>0.00</b>	<b>0.24</b>
<b>Looking for work at intake</b>	<b>1,022.46</b>	<b>330.46</b>	<b>0.00</b>	<b>0.35</b>
Months from baseline assessment through Dec 2010	-18.61	76.33	0.81	12.78
Employment goal	-185.10	282.99	0.51	0.60
<b>Education goal</b>	<b>-896.74</b>	<b>285.85</b>	<b>0.00</b>	<b>0.36</b>
<b>SSA/Ticket to Work referral</b>	<b>1,267.29</b>	<b>656.86</b>	<b>0.05</b>	<b>0.08</b>
Service provider referral	549.85	527.10	0.30	0.48
WIPA outreach	128.54	576.04	0.82	0.31
Non-SSA agency referral	-87.37	699.55	0.90	0.06
3-6 hours WIPA services	245.39	304.20	0.42	0.54
>6 hours WIPA services	568.07	408.70	0.16	0.16
Suggested increasing hours/seeking promotion	948.56	504.16	0.06	0.08
Suggested earning enough to leave benefits	495.39	423.77	0.24	0.10
NSTW month before intake	-668.95	579.67	0.25	0.06

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 1,363.

Note: Bold type indicates statistical significance at the 0.05 level.



Table C.13. Least-Squares Regression Model of the Change in Earnings from 2009 to 2010: DI Beneficiary Sample Members Who Entered Services in 2009

Variable	Coefficient	Std. Error	P-value	Variable Mean
Age less than 25	2,195.43	564.53	0.00	0.06
Age 25- 29	1,895.37	490.94	0.00	0.07
Age 30- 34	1,124.15	455.55	0.01	0.08
Age 35- 39	1,454.02	415.78	0.00	0.10
Age 40- 44	1,058.79	373.41	0.00	0.13
Age 45- 54	703.65	293.36	0.02	0.33
HS	-340.66	454.79	0.45	0.27
Beyond HS	-234.76	459.21	0.61	0.32
Education unknown	115.55	457.90	0.80	0.35
Male	-224.34	217.29	0.30	0.50
Married	282.62	291.67	0.33	0.19
Marital status unknown	-176.19	310.76	0.57	0.18
DI-only	386.95	263.03	0.14	0.65
DAC	-85.59	518.94	0.87	0.06
<b>Rep payee</b>	<b>- 747.88</b>	295.21	0.01	0.25
Psychiatric	-368.52	290.17	0.20	0.43
Musculoskeletal	57.30	350.24	0.87	0.16
Intellectual	-192.41	495.56	0.70	0.08
Sensory/communication	-432.07	518.50	0.40	0.05
Other nervous system	-656.36	487.57	0.18	-0.06
<b>1st eligibility &lt; 24 mo.</b>	<b>- 1,199.89</b>	345.35	0.00	0.16
1st eligibility 24-59 mo.	103.68	303.98	0.73	0.22
1st eligibility 60-119 mo.	-50.51	289.39	0.86	0.24
SSA benefit <500	-781.09	559.86	0.16	0.05
SSA benefit 500-999	35.07	334.90	0.92	0.51
SSA benefit 1000 - 1500	293.07	334.28	0.38	0.28
<b>Employed at intake</b>	<b>931.72</b>	302.18	0.00	0.29
<b>Looking for work at intake</b>	<b>568.62</b>	263.26	0.03	0.43
Months from baseline assessment through Dec 2010	-80.51	63.71	0.21	12.70
Employment goal	14.16	248.78	0.95	0.69
<b>Education goal</b>	<b>- 832.17</b>	283.96	0.00	0.19
<b>SSA/Ticket to Work referral</b>	<b>992.32</b>	429.66	0.02	0.18
Service provider referral	308.07	383.53	0.42	0.50
WIPA outreach	686.96	465.48	0.14	0.12
Non-SSA agency referral	-52.44	486.14	0.91	0.10
3-6 hours WIPA services	235.25	251.57	0.35	0.48
<b>&gt; 6 hours WIPA services</b>	<b>824.96</b>	328.36	0.01	0.18
Suggested increasing hours/seeking promotion	214.49	390.02	0.58	0.10
<b>Suggested earning enough to leave benefits</b>	<b>911.93</b>	313.82	0.00	0.15
<b>NSTW month before intake</b>	<b>- 1,068.03</b>	494.67	0.03	0.06

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 3,950.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table C.14. Least-Squares Regression Model of the Change in Earnings from 2009 to 2010: SSI Recipient Sample Members Who Entered Services in 2009**

Variable	Coefficient	Std. Error	P-value	Variable Mean
Age less than 25	1,968.69	388.44	<.001	0.31
Age 25- 29	2,161.48	410.72	<.001	0.12
Age 30- 34	1,341.79	442.73	0.00	0.08
Age 35- 39	1,409.09	428.48	0.00	0.09
Age 40- 44	1,268.27	411.81	0.00	0.10
Age 45- 54	705.72	349.31	0.04	0.20
HS	-211.54	323.68	0.51	0.30
Beyond HS	-112.88	351.37	0.75	0.20
Education unknown	-395.60	324.36	0.22	0.40
Male	-8.46	185.10	0.96	0.53
Married	-349.01	355.50	0.33	0.07
Marital status unknown	-244.75	271.80	0.37	0.15
SSI-only	535.44	480.39	0.27	0.51
Rep payee	-381.39	220.90	0.08	0.45
Psychiatric	138.53	262.15	0.60	0.47
Musculoskeletal	588.84	396.58	0.14	0.08
Intellectual	-125.93	329.74	0.70	0.19
Sensory/communication	-536.82	497.90	0.28	0.04
Other nervous system	252.86	441.02	0.57	0.06
1st eligibility <24 mo.	-1,459.50	330.15	<.001	0.10
1st eligibility 24-59 mo.	403.10	273.81	0.14	0.14
1st eligibility 60-119 mo.	92.67	254.19	0.72	0.17
SSA benefit <500	-813.28	557.38	0.14	0.55
SSA benefit 500-999	60.31	348.14	0.86	0.36
<b>Employed at intake</b>	<b>978.70</b>	<b>271.74</b>	<b>0.00</b>	<b>0.25</b>
Looking for work at intake	195.14	224.95	0.39	0.39
Months from baseline assessment through Dec 2010	10.65	53.37	0.84	12.73
Employment goal	-116.10	207.24	0.58	0.64
Education goal	-295.87	215.65	0.17	0.29
SSA/Ticket to Work referral	373.13	407.21	0.36	0.12
Service provider referral	192.86	343.31	0.57	0.48
WIPA outreach	-550.11	386.58	0.15	0.21
Non-SSA agency referral	-202.73	427.20	0.64	0.10
3-6 hours WIPA services	210.60	214.34	0.33	0.52
>6 hours WIPA services	365.60	290.07	0.21	0.16
Suggested increasing hours/seeking promotion	368.52	356.29	0.30	0.08
Suggested earning enough to leave benefits	-193.33	281.75	0.49	0.13
<b>NSTW month before intake</b>	<b>-1,113.80</b>	<b>351.59</b>	<b>0.00</b>	<b>0.08</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10 and IRS earnings data. Sample size = 2,793.

Note: Bold type indicates statistical significance at the 0.05 level.

APPENDIX D

MULTIVARIATE MODELS OF BENEFIT SUSPENSION  
OR TERMINATION DUE TO WORK

**Table D.1. Logistic Regression Model of the Likelihood of Having Benefits Suspended or Terminated for Work Between WIPA Program Entry and December 31, 2010: All Sample Members**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age less than 25	0.14	1.15	0.25	0.57	0.15
<b>Age 25- 29</b>	<b>0.69</b>	<b>2.00</b>	<b>0.24</b>	<b>0.00</b>	<b>0.08</b>
Age 30-34	0.47	1.61	0.25	0.06	0.08
Age 35-39	0.36	1.44	0.24	0.13	0.09
<b>Age 40- 44</b>	<b>0.85</b>	<b>2.35</b>	<b>0.21</b>	<b>&lt;.001</b>	<b>0.12</b>
<b>Age 45- 54</b>	<b>0.37</b>	<b>1.45</b>	<b>0.19</b>	<b>0.05</b>	<b>0.30</b>
HS	0.37	1.45	0.22	0.10	0.28
<b>Beyond HS</b>	<b>0.54</b>	<b>1.71</b>	<b>0.23</b>	<b>0.02</b>	<b>0.28</b>
Education unknown	0.27	1.31	0.23	0.24	0.36
Male	0.13	1.13	0.11	0.26	0.51
Married	0.14	1.15	0.17	0.43	0.16
<b>Marital status unknown</b>	<b>0.49</b>	<b>1.64</b>	<b>0.15</b>	<b>0.00</b>	<b>0.17</b>
<b>DI- only at intake</b>	<b>- 1.96</b>	<b>0.14</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.50</b>
<b>SSI- only at intake</b>	<b>- 2.84</b>	<b>0.06</b>	<b>0.22</b>	<b>&lt;.001</b>	<b>0.25</b>
<b>DAC</b>	<b>- 0.78</b>	<b>0.46</b>	<b>0.27</b>	<b>0.00</b>	<b>0.05</b>
Rep payee	-0.05	0.95	0.14	0.71	0.30
Psychiatric	0.06	1.06	0.16	0.72	0.44
Musculoskeletal	0.26	1.29	0.21	0.23	0.13
Intellectual	-0.25	0.78	0.23	0.28	0.12
Sensory/communication	0.09	1.09	0.27	0.75	0.05
Other nervous system	-0.07	0.93	0.27	0.78	0.06
<b>1st eligibility &lt; 24 mo.</b>	<b>- 0.59</b>	<b>0.55</b>	<b>0.21</b>	<b>0.01</b>	<b>0.14</b>
1st eligibility 24-59 mo.	-0.31	0.74	0.17	0.06	0.19
1st eligibility 60-119 mo.	-0.10	0.91	0.15	0.50	0.23
<b>SSA benefit &lt; 500</b>	<b>1.91</b>	<b>6.78</b>	<b>0.30</b>	<b>&lt;.001</b>	<b>0.29</b>
SSA benefit 500-999	0.39	1.48	0.25	0.12	0.38
SSA benefit 1000 - 1500	0.29	1.34	0.27	0.28	0.21
<b>Employed at intake</b>	<b>1.05</b>	<b>2.86</b>	<b>0.15</b>	<b>&lt;.001</b>	<b>0.28</b>
Looking for work at intake	-0.13	0.88	0.16	0.40	0.44
<b>Months from baseline assessment through Dec 2010</b>	<b>0.32</b>	<b>1.38</b>	<b>0.03</b>	<b>&lt;.001</b>	<b>11.40</b>
Employment goal	-0.10	0.91	0.13	0.44	0.68
<b>Education goal</b>	<b>- 0.41</b>	<b>0.67</b>	<b>0.15</b>	<b>0.01</b>	<b>0.22</b>
SSA/Ticket to Work referral	-0.22	0.80	0.22	0.31	0.17
Service provider referral	-0.07	0.93	0.19	0.70	0.49
WIPA outreach	-0.24	0.79	0.23	0.30	0.13
Non-SSA agency referral	-0.07	0.93	0.23	0.76	0.11
3-6 hours WIPA services	0.02	1.02	0.13	0.88	0.49
<b>&gt; 6 hours WIPA services</b>	<b>0.48</b>	<b>1.62</b>	<b>0.16</b>	<b>0.00</b>	<b>0.15</b>
<b>Suggested earning enough to leave benefits</b>	<b>0.30</b>	<b>1.36</b>	<b>0.15</b>	<b>0.04</b>	<b>0.15</b>
<b>NSTW month before intake</b>	<b>5.16</b>	<b>174.35</b>	<b>0.18</b>	<b>&lt;.001</b>	<b>0.05</b>

Source: WIPA ETO data accessed April 2011; matched to the abbreviated TRF10. Sample size = 11,277.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table D.2. Logistic Regression Model of the Likelihood of Having Benefits Suspended or Terminated for Work Between WIPA Program Entry and December 31, 2010: Sample Members Under Age 30**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age less than 25	-0.26	0.77	0.25	0.30	0.64
HS	0.25	1.29	0.46	0.58	0.33
Beyond HS	0.60	1.82	0.51	0.24	0.15
Education unknown	0.33	1.39	0.48	0.49	0.40
Male	0.41	1.51	0.24	0.08	0.60
Married	0.86	2.35	0.51	0.10	0.03
Marital status unknown	0.50	1.65	0.32	0.11	0.12
DI- only at intake	-2.66	0.07	0.52	<.001	0.13
SSI- only at intake	-2.00	0.14	0.28	<.001	0.57
DAC	-0.60	0.55	0.39	0.12	0.12
Rep payee	0.10	1.10	0.26	0.71	0.66
Psychiatric	-0.23	0.80	0.33	0.49	0.44
Musculoskeletal	-0.09	0.92	0.79	0.91	0.02
Intellectual	-0.53	0.59	0.39	0.17	0.28
Sensory/communication	-1.36	0.26	0.72	0.06	0.05
Other nervous system	-0.37	0.69	0.48	0.45	0.08
1st eligibility <24 mo.	-0.93	0.39	0.49	0.06	0.10
1st eligibility 24-59 mo.	0.08	1.09	0.32	0.80	0.21
1st eligibility 60-119 mo.	0.19	1.21	0.29	0.51	0.23
Employed at intake	1.34	3.82	0.32	<.001	0.27
Looking for work at intake	0.00	1.00	0.34	0.99	0.41
Months from baseline assessment through Dec 2010	0.28	1.32	0.06	<.001	11.57
Employment goal	-0.04	0.96	0.26	0.88	0.65
Education goal	-0.57	0.57	0.29	0.05	0.34
SSA/Ticket to Work referral	-0.49	0.61	0.49	0.31	0.10
Service provider referral	-0.46	0.63	0.38	0.24	0.52
WIPA outreach	-0.87	0.42	0.48	0.07	0.21
Non-SSA agency referral	-0.52	0.59	0.48	0.28	0.09
3-6 hours WIPA services	0.03	1.03	0.27	0.92	0.53
> 6 hours WIPA services	0.52	1.68	0.33	0.12	0.16
Suggested earning enough to leave benefits	0.09	1.09	0.32	0.78	0.12
NSTW month before intake	5.44	230.66	0.39	<.001	0.06

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 2,568.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table D.3. Logistic Regression Model of the Likelihood of Having Benefits Suspended or Terminated for Work Between WIPA Program Entry and December 31, 2010: DI Beneficiary Sample Members**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age less than 25	-1.08	0.34	1.07	0.32	0.06
<b>Age 25- 29</b>	<b>1.23</b>	<b>3.42</b>	<b>0.40</b>	<b>0.00</b>	<b>0.08</b>
Age 30-34	0.73	2.08	0.41	0.08	0.08
<b>Age 35- 39</b>	<b>0.93</b>	<b>2.52</b>	<b>0.35</b>	<b>0.01</b>	<b>0.10</b>
<b>Age 40- 44</b>	<b>1.22</b>	<b>3.38</b>	<b>0.31</b>	<b>&lt;.001</b>	<b>0.13</b>
Age 45-54	0.44	1.55	0.28	0.12	0.34
HS	0.90	2.46	0.56	0.11	0.27
Beyond HS	0.74	2.10	0.57	0.19	0.31
Education unknown	0.76	2.14	0.57	0.18	0.35
Male	0.07	1.07	0.19	0.71	0.51
Married	0.01	1.01	0.24	0.97	0.19
Marital status unknown	0.16	1.17	0.26	0.54	0.18
<b>DI- only at intake</b>	<b>1.81</b>	<b>6.08</b>	<b>0.31</b>	<b>&lt;.001</b>	<b>0.66</b>
DAC	0.32	0.73	0.50	0.52	0.06
<b>Rep payee</b>	<b>0.84</b>	<b>0.43</b>	<b>0.28</b>	<b>0.00</b>	<b>0.24</b>
Psychiatric	-0.10	0.90	0.25	0.67	0.44
Musculoskeletal	0.28	1.33	0.29	0.33	0.15
Intellectual	-0.67	0.51	0.44	0.13	0.08
Sensory/communication	0.12	1.13	0.38	0.75	0.05
Other nervous system	-0.72	0.49	0.52	0.17	0.06
1st eligibility <24 mo.	-0.02	0.98	0.33	0.95	0.15
1st eligibility 24-59 mo.	-0.18	0.84	0.27	0.50	0.21
1st eligibility 60-119 mo.	0.05	0.95	0.24	0.84	0.24
<b>SSA benefit &lt; 500</b>	<b>2.59</b>	<b>13.32</b>	<b>0.34</b>	<b>&lt;.001</b>	<b>0.05</b>
SSA benefit 500-999	0.15	1.16	0.31	0.64	0.51
SSA benefit 1000 - 1500	0.21	1.23	0.32	0.51	0.28
<b>Employed at intake</b>	<b>0.88</b>	<b>2.42</b>	<b>0.25</b>	<b>0.00</b>	<b>0.30</b>
Looking for work at intake	-0.48	0.62	0.30	0.11	0.45
<b>Months from baseline assessment through Dec 2010</b>	<b>0.26</b>	<b>1.30</b>	<b>0.05</b>	<b>&lt;.001</b>	<b>11.37</b>
Employment goal	-0.17	0.84	0.21	0.42	0.69
Education goal	-0.30	0.74	0.27	0.27	0.19
SSA/Ticket to Work referral	0.04	1.05	0.35	0.90	0.19
Service provider referral	-0.14	0.87	0.31	0.65	0.49
WIPA outreach	0.07	1.07	0.37	0.86	0.11
Non-SSA agency referral	-0.08	0.92	0.41	0.84	0.11
3-6 hours WIPA services	-0.07	0.93	0.23	0.76	0.48
> 6 hours WIPA services	0.41	1.51	0.26	0.11	0.16
<b>Suggested earning enough to leave benefits</b>	<b>0.81</b>	<b>2.25</b>	<b>0.22</b>	<b>0.00</b>	<b>0.15</b>
<b>NSTW month before intake</b>	<b>2.97</b>	<b>19.52</b>	<b>0.30</b>	<b>&lt;.001</b>	<b>0.05</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 8,467.

Note: Bold type indicates statistical significance at the 0.05 level.

**Table D.4. Logistic Regression Model of the Likelihood of Having Benefits Suspended or Terminated for Work Between WIPA Program Entry and December 31, 2010: SSI Recipient Sample Members**

Variable	Coefficient	Odds Ratio	Std. Error	P-Value	Mean
Age less than 25	-0.05	0.95	0.28	0.85	0.27
Age 25-29	0.37	1.45	0.27	0.18	0.12
Age 30-34	0.18	1.20	0.29	0.53	0.09
Age 35-39	0.06	0.95	0.29	0.85	0.09
Age 40-44	0.40	1.49	0.27	0.13	0.10
Age 45-54	0.24	1.28	0.23	0.30	0.22
HS	0.13	1.14	0.23	0.57	0.31
<b>Beyond HS</b>	<b>0.52</b>	<b>1.69</b>	<b>0.24</b>	<b>0.03</b>	<b>0.21</b>
Education unknown	0.05	1.05	0.24	0.85	0.36
Male	0.13	1.14	0.13	0.31	0.52
Married	0.24	1.27	0.22	0.28	0.08
<b>Marital status unknown</b>	<b>0.46</b>	<b>1.58</b>	<b>0.18</b>	<b>0.01</b>	<b>0.15</b>
<b>SSI- only at intake</b>	<b>2.22</b>	<b>0.11</b>	<b>0.25</b>	<b>&lt;.001</b>	<b>0.50</b>
Rep payee	0.09	1.10	0.15	0.55	0.42
Psychiatric	0.17	1.19	0.19	0.36	0.47
Musculoskeletal	0.32	1.38	0.27	0.24	0.08
Intellectual	-0.14	0.87	0.25	0.58	0.18
Sensory/communication	-0.07	0.94	0.35	0.85	0.04
Other nervous system	0.13	1.14	0.30	0.67	0.06
<b>1st eligibility &lt;24 mo.</b>	<b>0.87</b>	<b>0.42</b>	<b>0.27</b>	<b>0.00</b>	<b>0.11</b>
1st eligibility 24-59 mo.	-0.32	0.73	0.20	0.11	0.14
1st eligibility 60-119 mo.	0.10	1.10	0.17	0.56	0.17
<b>SSA benefit &lt; 500</b>	<b>1.18</b>	<b>3.26</b>	<b>0.30</b>	<b>&lt;.001</b>	<b>0.54</b>
SSA benefit 1000 - 1500	0.29	1.34	0.22	0.18	0.37
<b>Employed at intake</b>	<b>1.07</b>	<b>2.91</b>	<b>0.17</b>	<b>&lt;.001</b>	<b>0.26</b>
Looking for work at intake	0.01	1.01	0.18	0.97	0.44
<b>Months from baseline assessment through Dec 2010</b>	<b>0.31</b>	<b>1.36</b>	<b>0.04</b>	<b>&lt;.001</b>	<b>11.45</b>
Employment goal	-0.12	0.89	0.15	0.42	0.67
<b>Education goal</b>	<b>-0.48</b>	<b>0.62</b>	<b>0.17</b>	<b>0.01</b>	<b>0.27</b>
<b>SSA/Ticket to Work referral</b>	<b>-0.54</b>	<b>0.58</b>	<b>0.26</b>	<b>0.04</b>	<b>0.14</b>
Service provider referral	-0.21	0.81	0.21	0.32	0.50
<b>WIPA outreach</b>	<b>-0.61</b>	<b>0.54</b>	<b>0.27</b>	<b>0.02</b>	<b>0.16</b>
Non-SSA agency referral	-0.22	0.80	0.26	0.39	0.12
3-6 hours WIPA services	0.02	1.02	0.15	0.90	0.51
> 6 hours WIPA services	0.30	1.34	0.19	0.13	0.14
Suggested earning enough to leave benefits	0.03	1.04	0.18	0.85	0.15
<b>NSTW month before intake</b>	<b>5.12</b>	<b>167.69</b>	<b>0.20</b>	<b>&lt;.001</b>	<b>0.09</b>

Source: WIPA ETO data accessed April 2011, matched to the abbreviated TRF10. Sample size = 5,645.

Note: Bold type indicates statistical significance at the 0.05 level.

**MATHEMATICA**  
**Policy Research**

[www.mathematica-mpr.com](http://www.mathematica-mpr.com)

Improving public well-being by conducting high-quality, objective research and surveys

Princeton, NJ ■ Ann Arbor, MI ■ Cambridge, MA ■ Chicago, IL ■ Oakland, CA ■ Washington, DC

Mathematica® is a registered trademark of Mathematica Policy Research



Mr. WILLIAMS. We have established in the grantees' contracts that went into effect this July many of the outcome measures that John mentioned. We are not where we need to be at. It is going to take a constant push for a culture change, because, frankly, the perception is that working full time and being financially independent cannot and does not work for people with significant disabilities. We know that many young people on SSI who go to college either never finish, or, if they do, they do not go to work. That is a national tragedy, but, likewise, a huge opportunity to, as I say, right-size what this program is about and what we need to be held accountable for achieving.

Chairman JOHNSON. Thank you.

Dr. McDermott, you are recognized for 5 minutes.

Mr. MCDERMOTT. Thank you, Mr. Chairman.

I may be the only one on the dais, maybe in the room, who has actually sat in hearings with people applying for SSI. As a psychiatrist, I used to see them frequently in Seattle. And as I listen to this discussion, I keep thinking about SSI patients. And I don't know that people—if you have never talked to someone who is on SSI and spent some time with them and realized what their life is about, it is important to realize what this system is.

You have to have a disability that is going to keep you off the rolls for a year, that you are going to be unable to work for a year, or die. Those are the sort of end points of the assessment. So you don't get on easily. If you get on SSI, it means you have never had any connection to the workforce or any substantial connection to the workforce. So you are really at the bottom of the working population in this country, if you can be considered that at all.

Then we designed the program in 1974, and we haven't upgraded it. I mean, tell me nothing has changed in cost since 1984, right? If you get \$65 of income from earnings and \$20 from any other source—your brother gives you \$20—\$85 you now have on top of your \$499 on SSI—that is the average—you start to lose \$2 for every \$1 that you earn. Now, you tell me what the incentive is to go out for a job and know that for every hour you work or every 2 you work or 3 hours you work, you are going to lose the pay for 2 of those hours. It is a program that is designed poorly and needs to be reformed from the basics of the way it works.

And I think that a lot of this performance stuff we are looking for—I mean, I can give you all kinds of cases from Missouri and Illinois and New Mexico. You know, there are endless problems. And I would like for Ms. Harris to talk a little bit about what you see out there. Give us a picture so everybody on this Committee can understand who these SSI people are as human beings.

Ms. BATES-HARRIS. Well, first of all, they are individuals who are very poor because the program is means-tested. So they can basically have no or very, very limited resources. They are significantly disabled or impaired and, as you indicated, with very little work history, which means that either their disability has been so prevalent over their lifetime that they have been unable to enter the workforce or possibly even benefit from the education system and have not obtained the necessary skills required for jobs.

So we are talking about people who need a lot of support and need a lot of assistance, and who are extremely dependent on the

income supports from the Social Security program to have a place to live and to be able to put food on their table. And to those individuals, the thought of returning to work and risking the benefits because the work incentives are complicated, or they don't understand them, or people have told them if they go back to work, they are going to lose their Medicaid, or if they go back to work, they are going to lose their cash benefit, these are individuals who are in a very, very precarious situation and who very much need the services and supports that are offered by both the WIPA, the PABSS program, and other community programs out there that will help them improve their quality of life.

Mr. KREGEL. May I follow up to that as well?

Mr. MCDERMOTT. Yes.

Mr. KREGEL. I agree entirely with your analysis of the SSI program. And you wonder what makes these people want to go to work. Well, the answer basically is that the mean benefit is \$500, and 71 percent of the SSI population live below the poverty level, 71 percent. So the situation is these are individuals who are at risk of not having food on the table. They are at risk of not having shelter over their heads. And they are courageous enough, some of them, to go ahead and try to increase their income, even though the rules are stacked against them, out of sheer economic necessity in many, many situations.

I agree entirely with your comments in terms of the disincentives within the SSI Program. I just think that we need to understand that the reason that people take some of these courageous steps is out of sheer economic need to meet the basic needs, including food and shelter.

Mr. MCDERMOTT. The bottom line being if you keep them poor enough and hungry enough, they will ultimately finally find some way to get out of it; is that what you are saying?

Mr. KREGEL. The situation is that also their health is impacted by living in poverty the way that they are, and they look at extensive health care costs.

So I think anything that can be done so that when SSI beneficiaries work that they are not penalized for working is a very, very sound approach in terms of moving forward. It is the best way to go.

Mr. MCDERMOTT. Thank you.

Chairman JOHNSON. Thank you.

Mr. Berg, you are recognized for 5 minutes.

Mr. BERG. Thank you, Mr. Chairman.

I come from a State where, quite frankly, we are looking for employees. We have got around a 3 percent unemployment rate. And I am just sitting here. And again, the big problem as I see it is in 2018, we are broke. So we have kind of been dancing around a lot of these questions. But it seems to me that that is really the number one thing that we need to focus on.

Having said that, if there are 2.6 million people who would like to work, it seems like that is almost 25 percent of the people that would like some sort of work. And if in 2018, according to the numbers that we are given, we would only be able to fund 84 percent. Well, quite frankly, if half the people that wanted to work found

work and became self-sufficient from an income standpoint, that would certainly push that 2018 date out.

So I guess—and I appreciate the concern of not wanting people to coach to the program, but, quite frankly, I don't think anyone really needs any coaching to look at the program and realize that if you make more than \$1,000, you are going to lose all your benefits. It is not that complicated for anyone that is on the program. So it seems to me that there are really some fundamental flaws in the program that need to, quite frankly, encourage people and partner with people getting on their own rather than creating some sort of barrier. When they figure it out, they are making \$2, \$3 an hour for the extra work. So, I mean, that is kind of one of the big chunks.

We are running out of time here, and it appears to me that, obviously, what we have heard from the employers, that is one—I mean, there are two ways of doing this, from my perspective. We could take from the employers and kind of work an environment where we have work and opportunities, or it seems like we can also just push people from the bottom up. I would like to hear from Mr. Hanophy about how can we encourage employers to—are there barriers there? Are there things that we can do that would encourage employers to say, here is a real opportunity to bring a valuable person into my company long term?

Mr. HANOPHY. Sure. Thank you.

Essentially there are three parts to that. Number one is what we identified earlier, which is the dual customer; in other words, knowing the business and knowing your applicant, the person with a disability. That means understanding what the business needs, but understanding how they operate, how the jobs operate, the work culture. Once you are able to do that, you are able to have a discussion with this business about your ability to bring them a qualified applicant.

Study after study shows that the reason why people get hired is because they can do the job. And so this isn't about charity. This is about helping them find an applicant who can do the job. So the key for the providers is to provide the supports and also do the screening and make sure these applicants are qualified.

Number two is helping a business increase their access to an applicant pool of people with disabilities. The term we prefer to use is "multiple portals." We have had examples with Walgreens and several other companies where by providing a little bit more training on the front end or a little better adjustment on the front end, we are able to help—we call it embedded training, for lack of a better term, where an applicant with a disability can hear the noise, smell the dust, be a part of the work environment, but learn at a pace to where they will be able to get up to speed to eventually be hired by that employer. So different portals of entry.

And then the third piece is support. Companies very often are very interested in supporting people with disabilities, but don't know how. We hear the term "reasonable accommodations." I prefer to use the term "adjustments," because a reasonable accommodation is nothing more than a commonsense adjustment to help somebody go to work. My favorite example is, if your job requires you to reach something on the top shelf, and you can't get that

thing on the top shelf, let us move it down. And it doesn't matter if you are 4 feet 11 or you are in a wheelchair. Let us just move it down and move on.

And providing supports about how to help folks with significant disabilities adjust to work tasks. This is where the Partnership Plus model, I think, has been effective in partnering with Social Security in being able to provide some of those longer-term supports.

The bottom line is know your business and know your individual with a disability.

Mr. BERG. Thank you.

Ms. Russell, I would like to ask you a kind of similar question. If from a business-down approach you are going to develop or increase it, are there barriers that are out there? Or what changes would you like to see?

Ms. RUSSELL. I think the barrier we experience is trying to locate the talent. And that is, as Mr. Hanophy just described, something that we have been able to find in Texas with their assistance is being able to locate the individuals who have the skills that match what we are requiring. It is unfortunate that we have a lot of situations where a week goes by, and I see that we have hired 50 new workers, and not one of them is identified as somebody with a disability. It is 50 opportunities that our partners have passed on by not being able to help us find the individuals with disabilities who have the skills to do our jobs. So it is all about a talent pool and finding the talent, developing the talent, and then being able to match it to the business' needs.

Mr. BERG. Thank you, all.

I will yield back, Mr. Chairman.

Chairman JOHNSON. Mr. Crowley, would you care to question? You are recognized for 5 minutes.

Mr. CROWLEY. Thank you, sir. Let me thank you and Chairman Davis for holding this hearing today. I want to thank the witnesses for their testimony.

My office frequently hears from our constituency about navigating the Social Security benefits, the disability system, and, quite frankly, it is one of the most frustrating things about our office, I think. I think I speak for both sides of the aisle in this because they are repeated, and, over a period of time, one of the most time-consuming aspects of the office. I am not complaining about that. That is what we do. That is why we are here to help them navigate.

But, Ms. Bates-Harris, if I could ask you to just comment. Obviously not everyone can work. There are some people in this world who, by no fault of their own, simply just do not have the wherewithal for various reasons to work. Is that correct?

Ms. BATES-HARRIS. My philosophical—because my original work in the field came from the Rehab Act, and the premise of the Rehab Act is that all individuals, regardless of the significance of disability, are capable of engaging in an employment outcome if they are given the proper services and supports, my gut reaction is to say that everyone can work. But unfortunately all the resources and supports are not in place, so there are individuals who cannot work.

Mr. CROWLEY. In the perfect world—just clarify this for me. There are some people in this country who do not have the ability to work. Those individuals do exist. Am I not correct?

Ms. BATES-HARRIS. Yes, they do.

Mr. CROWLEY. So in a perfect world, if the Ticket to Work program worked perfectly, there would still be a need for SSI and SSDI benefits; is that not correct?

Ms. BATES-HARRIS. Absolutely, positively.

Mr. CROWLEY. That is an important point just to note. I appreciate the recording of that was played as well, understand that that could be disturbing, as many of the things in life are disturbing to all of us, I think. But also, when people are asked a question and are answering to the best of their ability and following the guidelines of the law, I think that also needs to be taken into consideration regardless of the characterization of how that question is asked.

One of the questions my office often gets from constituents is, can I still work while receiving disability benefits? Ms. Bates-Harris, in your written testimony you mentioned the importance of the Work Incentives Planning Assistance program, which supports benefits counselors in the community to answer just those types of questions. What kind of impact will our constituents see if this program is not reauthorized, particularly once the funding begins to run out?

Ms. BATES-HARRIS. I think that it would have a devastating impact on those people who are motivated and want to return to work, because we would fall back onto the old beliefs that if you go back to work, you are going to immediately lose your benefits, you are going to lose access to your health care, and you are going to lose access to the other supports.

I think it has been a very slow process getting the public and people with disabilities to understand that, yes, there is going to be an impact on your benefits, but depending on whether you are getting SSI or SSDI, the impact is not immediate. If people understand what is going to happen and how it is going to happen, then it allows them to plan their lives and plan their return to work and make the adjustments that they need to be successful in it. And without it, people would simply give up and not even try.

Mr. CROWLEY. You mentioned the Affordable Care Act and the opportunity it gives disabled individuals to receive health care without having to rely upon public assistance. What are some of the several beneficial provisions included in this law which would be lost if the law were to be repealed?

Ms. BATES-HARRIS. I am sorry, would you repeat the question?

Mr. CROWLEY. You mentioned the Affordable Care Act in your written statement, and the opportunities it gives to the disabled individual to receive health care without having to rely upon public assistance. If that were to be repealed, which many of my colleagues on the other side would like to see happen, what would be the fallout from that? Do you understand?

Ms. BATES-HARRIS. I do understand the question. And I am sorry, I am a little tired, I traveled late last night.

I think, you know, the biggest issue right now is that people with disabilities face a lot of discrimination in insurance and insurance

coverages and what will be covered; for instance, assistive technology and durable medical equipment and things like that. And without access to health care, and without access to the services and supports they need, which are very different for different people, they would not be able to maintain the health status that they have, and would not be able to basically, you know, maintain their level of wellness, so to speak, to enable them to continue to work. And I am not sure that I answered your question.

Mr. CROWLEY. I think you answered the question just fine. And given that you got in late last night, we were up late last night.

Ms. BATES-HARRIS. I know. We were on the same schedule.

Mr. CROWLEY. Just for the record, I am not picking on you. I was going to move on to someone else after that anyway, but I ran out of time.

Ms. BATES-HARRIS. Sorry.

Mr. CROWLEY. Thank you, ma'am.

Chairman JOHNSON. Thank you all for your testimony.

Thank you, Mr. Crowley.

I appreciate you all being here. Chairman Davis and I are interested in improving the system, if we can, and helping the people out there that need help.

Again, thank you all for being here today, for your testimony. I look forward to working with you and all my colleagues to make sure work incentives achieve the results Congress and the taxpayers expect, and those with disabilities deserve.

With that, the Committee stands adjourned.

[Whereupon, at 11:17 a.m., the Subcommittees were adjourned.]

[Questions for the Record follow:]



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.



## Enclosure – Page 2 – The Honorable Sam Johnson – Questions for the Record

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**

Enclosure – Page 3 – The Honorable Sam Johnson – Questions for the Record

**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.

Enclosure – Page 4 – The Honorable Sam Johnson – Questions for the Record

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

## Enclosure – Page 5 – The Honorable Sam Johnson – Questions for the Record

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

## Enclosure – Page 6 – The Honorable Sam Johnson – Questions for the Record

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.

Enclosure – Page 7 – The Honorable Sam Johnson – Questions for the Record

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:

<b>Other Funding Leveraged by WIPA Projects as a Percentage of SSA Funding</b>	
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

Enclosure – Page 8 – The Honorable Sam Johnson – Questions for the Record

**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.

Enclosure – Page 9 – The Honorable Sam Johnson – Questions for the Record

- 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



Enclosure – Page 10 – The Honorable Sam Johnson – Questions for the Record

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.

Enclosure – Page 11 – The Honorable Sam Johnson – Questions for the Record

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.

Enclosure – Page 12 – The Honorable Sam Johnson – Questions for the Record

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.

Enclosure – Page 13 – The Honorable Sam Johnson – Questions for the Record

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/XX/XXXX		Total Enrolled in WIPA During Date Range: XX/XX/XXXX		
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 assessment in WIPA/ETO	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 WIPA Services	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 BSSA or WIP)	100% 75/75
2.2	WIPA Level 2 Services	Total enrolled in WIPA	Number of WIPA Enrollees with a Baseline Assessment and BSSA - (regardless of WIP)	60% 45/75
2.3	WIPA Level 3 Services	Total enrolled in WIPA	Number of WIPA Enrollees with a Baseline Assessment, BSSA 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 with BSSA	Total enrolled in WIPA	Number of WIPA Enrollees with a BSSA 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	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 CNIC FTE		110
<b>Section 5 Annual Performance Indicators to be Measured by BSA</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  
 BSSA: 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.



November 16, 2011

The Honorable Sam Johnson  
Chairman  
Subcommittee on Social Security  
Committee on Ways and Means  
House of Representatives

The Honorable Geoff Davis  
Chairman  
Subcommittee on Human Resources  
Committee on Ways and Means  
House of Representatives

Thank you for the opportunity to testify before the Committee on Ways and Means, Subcommittees on Social Security and Human Resources on September 23, 2011 during the hearing on Work Incentives in Social Security Disability Programs. The attached enclosure is GAO's response to the subcommittees' question for the record. If you have any questions, please contact Daniel Bertoni at (202) 512-7215.

Sincerely,

Daniel Bertoni  
Director, Education, Workforce, and Income Security Issues

Enclosure

Enclosure I

In 1980 Congress provided the Social Security Administration (SSA) temporary authority to conduct demonstration projects to test the impact of waiving program rules. This authority was extended multiple times and expired in December 2005. The Government Accountability Office (GAO) has released two reports, one in 2004 and the other in 2008, criticizing the agency for its administration of demonstration projects. The President's FY 2012 budget request included a legislative proposal reauthorizing this authority for five years and requiring SSA to test a Work Incentives Simplification Proposal.

Would you further explain GAO's previous findings for us and tell us whether the agency has addressed GAO's concerns?

In September 2008, we reported that SSA had initiated 14 demonstration projects under its authority to test possible DI and SSI policy and program changes.<sup>1</sup> At that time, we found SSA had spent about \$155 million on its projects, yet these projects had yielded limited information on the impacts of the program and policy changes they were testing. We also reported that while SSA had taken steps to improve its projects, in part, by applying more rigorous methodologies and contracting with external experts, SSA continued to lack certain management controls, such as written procedures for its project officers to follow as they design, implement, and evaluate its demonstration projects, nor had they fully implemented our recommendations from 2004. We also found that several projects had experienced delays and cancellations, partly because newly appointed officials made significant changes to some projects or determined that because others faced significant limitations or potential challenges it was not in the agency's interest to continue them. Because government operating conditions continually change, we noted that agencies should have mechanisms in place to identify and address any special risks arising from such changes, especially those caused by hiring new personnel to occupy key positions in the agency.<sup>2</sup> While we acknowledged that certain management actions may have been reasonable, we were concerned that SSA's lack of written policies and procedures governing how such steps should be taken left current and future projects vulnerable to disruption.

To improve SSA's management of its demonstration projects, we recommended that the Commissioner of Social Security establish written policies, procedures, and mechanisms for managing and operating its demonstration projects that are consistent with standard research practices and internal control standards in the federal government, including those for coordinating with internal and external stakeholders and sharing information with Congress. In response, SSA noted existing processes and written procedures for managing and reviewing its programs, including the demonstration project program, and generally agreed with the need to develop a guidebook to assist staff in the design, implementation, and evaluation phases of demonstration projects and the value of piloting demonstration projects before proceeding with full implementation. In May 2011, SSA provided GAO with a copy of its revised "Demonstration Project Guidebook," which outlines the agency's policies, procedures, and mechanisms for managing and operating its demonstrations projects. GAO determined that it was consistent with research practices and GAO standards and that the guidebook addressed our recommendation regarding coordinating with internal and external stakeholders. While SSA has implemented the management controls we recommended, it is

<sup>1</sup> GAO, *Social Security Disability: Management Controls Needed to Strengthen Demonstration Projects*, GAO-08-1053 (Washington, D.C.: Sept. 26, 2008).

<sup>2</sup> GAO, *Standards for Internal Control in the Federal Government*, GAO-AIMD-00-21.3.1 (Washington, D.C.: Nov. 1999).



vital that the agency continue to monitor the management of these projects to ensure the quality of their performance, and that potential problems are promptly resolved. Without such monitoring, future projects may not yield reliable information similar to some projects in the past.

Below are the responses regarding my testimony, on behalf of the Council of State Administrators of Vocational Rehabilitation, before the Committee on Ways and Means, Subcommittees on Social Security and Human Resources during the September 23, 2011 hearing on Work Incentives in Social Security Disability Programs.

1. In your testimony you noted that one-quarter of consumers helped by State Vocational Rehabilitation (VR) agencies who subsequently become employed are Social Security Disability Insurance (SSDI) beneficiaries or Supplemental Security Income (SSI) beneficiaries. How do State VR agencies use the money they receive through cost reimbursement from the Social Security Administration (SSA)?

*In FFY 1992 the Rehabilitation Services Administration (RSA) determined that Social Security Reimbursement (SSR) funds should be identified as a source of program income. Consequently, on December 6, 1991, RSA issued Policy Directive 92-04 which identified SSR funds as a source of program income. PD 92-04 also identified Federal Regulations at 34 CFR 361.63 which provide a definition of program income, and specifies that such income must be used for the provision of vocational rehabilitation services.*

2. What percentage of the SSA's cost reimbursements is allocated towards helping existing or future SSDI beneficiaries or SSI recipients return to work, as compared to the other 75% of consumers assisted by State VR agencies?

*The Rehabilitation Act of 1973, as Amended provides a presumption of eligibility for vocational rehabilitation services for beneficiaries. Specifically the Act states that "an individual who has a disability or is blind as determined pursuant to title II or title XVI*

of the Social Security Act (42 U.S.C. 401 et seq. and 1381 et seq.) shall be considered to be an individual with a significant disability under section 7(21)(A); and presumed to be eligible for vocational rehabilitation services under this title (provided that the individual intends to achieve an employment outcome....unless the designated State unit can demonstrate by clear and convincing evidence that such individual is incapable of benefitting in terms of an employment outcome from VR services due to the severity of the disability. The Federal regulations at 34 CFR 361.42 also provide guidance on the expectations for the provision of clear and convincing evidence.

While we cannot determine the exact percentage of SSA beneficiaries who are served specifically by cost reimbursement funds, it is reasonable to conclude, based on the restrictions on the use of cost reimbursement and the presumption of eligibility for VR services for SSA beneficiaries that this population has a priority for services by State VR agencies, whether it be specifically with cost reimbursement or Title I funds.

Response to QFR  
John Kregel  
November 16, 2011

*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**

<b>Fiscal Year</b>	<b>Number of Claims Allowed</b>	<b>Amount of Dollars Allowed</b>	<b>Average Cost Per Claim</b>
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.

<b>Table 2</b>	
<b>Recommended Beneficiary Outcome Standards - SSA VR Program</b>	
<b>Category</b>	<b>Standard</b>
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.

<b>Table 4</b>	
<b>Recommended Beneficiary Outcome Standards - Ticket to Work Program</b>	
<b>Category</b>	<b>Standard</b>
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.

<b>Table 6</b>	
<b>Recommended Performance Standards - WIPA Program</b>	
<b>Category</b>	<b>Standard</b>
<b>Beneficiary Employment and Financial Outcomes</b>	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
<b>Reduction in Disability Payments</b>	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.

---

[Submissions for the Record follow:]


**ABIL**

ARIZONA BRIDGE TO INDEPENDENT LIVING

 5025 E. Washington St., Ste. 200  
 Phoenix, AZ 85034-2005  
 V 602.256.2245 TTY/TDD 602.296.0591  
 F 602.254.6407 www.abil.org

**Testimony on the Social Security Administration's Employment Support Programs for Disability Beneficiaries**

By Donna (Amina) Kruck,  
 VP/Director of Advocacy  
 Arizona Bridge to Independent Living – ABIL  
 Disability Empowerment Center  
 5025 E. Washington Street, Suite 200  
 Phoenix, AZ 85034  
 602-443-0722  
 aminak@abil.org

**Title of Hearing Joint Hearing on Work Incentives on Social Security Disability Programs**

To the U.S. House Ways and Means Committee, Joint meeting of the Social Security Subcommittee

October 7, 2011

I appreciate the opportunity to submit comments on behalf of myself as a previous SSDI beneficiary and as the Advocacy Director at Arizona Bridge to Independent Living (ABIL), the Center for Independent Living in Phoenix, Arizona. For the last twenty years, I have created programs and advocated to remove barriers to independence and self-sufficiency. It is hard to be living with dignity and self-determination when living in poverty. Living on SSDI or SSI is living in poverty. That is why ABIL, as one of the few centers for Independent Living that has provided advocacy and programs to help people with disabilities increase their financial stability and self-esteem through employment in a variety of ways over the years. This 2011 is ABIL's 30<sup>th</sup> anniversary as a non-profit center serving Arizonans with disabilities in Central Arizona. We started a temporary employment staffing service for people with disabilities in Phoenix in the 1990's which helped us clarify the employment barriers people with disabilities experienced. We also worked our way out of the temporary staffing business, changing the landscape of the business, because of the relationships we developed with other staffing agencies that now routinely employ people with disabilities – a dramatic change over the last twenty years! Of course, we were also very involved in providing public education and technical assistance on the Americans with Disabilities Act during those years.

EMPOWERING PEOPLE WITH DISABILITIES FOR 30 YEARS | 1981 - 2011



We became very involved in the development and advocacy for the passage of the Ticket to Work and Work Incentive Improvement Act of 1999 as a result of what we learned about the employment barriers experienced by Americans with disabilities. Many of those barriers still exist today, but a few, thanks to the Ticket legislation have been reduced. Those barriers in 1999 were:

- **Pervasive lack of understanding of the existing SSA work incentives** within and outside SSA in the community of service providers. At that time, there was one SSI expert and one SSDI or Title II expert in each office but no one could help explain to the SSA beneficiary that was a concurrent beneficiary, qualifying for both SSI and SSDI, how the programs and work incentives interfaced.
  - **Work incentives were complicated** and different from program to program which made it difficult for beneficiaries, their families and community service providers, including Vocational Rehabilitation, to understand.
- **Beneficiary (and their advising service providers) had pervasive fear of loss of necessary health care benefits** as a result of work and earned income; and in many cases they were correct.
- **Beneficiaries' fear of the consequences of unsuccessful work attempts** or exacerbations of their disabilities if they needed to get back onto SSA disability benefits.
  - **Why were beneficiaries and their support systems so afraid?** This fear came as a result of the difficult and long application process during which many lost their homes, automobiles and, in some cases, marriages due to the poverty of employment income loss during the long application and appeal process that most went through. In the case of SSDI beneficiaries, the very citizens who had worked and paid into the system through payroll deductions and then became disabled, had expected the "system" to help them. Instead, they experienced an insulting, long and costly battle to prove their inability to work as they struggled with their disability. Going to work back then felt like a huge risk and left many beneficiaries feeling bitter and insecure about their prospects for the future and loss of trust in the government system which sent them conflicting and confusing letters in the mail. I know because I took that risk.
  - Back then, if SSA disability beneficiaries tried to work, they were viewed with suspicion that they were faking their disability and so most were afraid to earn even \$1 and report it to SSA.
- **Lack of cooperation between government agencies and public program rules** around working and earned income were often at odds with each other. If a beneficiary tried to work, they faced a sudden loss of all benefits, or thought they did. There was little cross agency collaboration to improve employment outcomes for people with disabilities. (i.e., Medicare/ Medicaid, SSA, Vocational Rehabilitation, food stamps, housing programs). For instance, how could a Vocational Rehabilitation counselor that has a core value to "do no harm" to the clients he/she works with recommend someone go to work if it meant they would lose needed health care?

- **Lack of job readiness and job skills**, especially for youth with disabilities whose parents didn't promote employment because of fear of losing health care, cash benefits and few program supports.

The Ticket to Work legislation was nothing less than revolutionary, if not perfect, because it:

- Addressed the system barriers by invoking changes to promote employment in several government programs.
- Created new work incentives that address the employment barriers described above
  - Medicaid Buy-In state options
  - Extended Medicare coverage
  - Student Earned Income
  - Extended Period of Eligibility
  - Expedited Reinstatement process
- Developed a cadre of community public benefit experts that previously didn't exist, who have been trained and certified to understand how earned income affects benefits. Now beneficiaries and their families and service providers can obtain advisement and support for beneficiary employment goals through the, then, Benefits Planning Assistance and Outreach, now Work Incentive Planning and Assistance—WIPA projects. The result is that SSA rules are no longer a secret. They can be used effectively without adding a burden to SSA's already heavy workload and reducing beneficiary fears. Beneficiaries reason that if the work incentives are public knowledge, then they must be real and safe to use!
- Provided the Medicaid Infrastructure Grants (MIG) that have been essential to getting the different agencies, community organizations and beneficiaries to the same table to resolve misunderstandings and remove employment barriers systemically.
- SSA field offices now have trained assigned staff, Work Incentive Liaisons with work incentive expertise and a state Work Incentive Coordinator to interface with the SSA field office staff, WIPAs and ENs to resolve issues, discrepancies and conflicts that arise.
- SSA, the MIGs and WIPAs have worked over the last 11 years to dismiss the pervasive and persistent myth/misunderstanding that people with disabilities can not afford to work and that the Ticket legislation changes are real and will last. It hasn't been easy to renew trust enough for people to take this risk. We are only part way there. It is a tragedy, to me, if they are not reauthorized because there is no other entity that has taken this lead. In Arizona, our MIG has been essential to help all the state and local agencies that provide services to people with disabilities to have a universal message that employment is good for people with disabilities. They have helped to outreach beneficiaries and service providers to "market" the Ticket and work incentives.
- Provided essential technical assistance from very knowledgeable topic experts for the WIPA projects and the MIGs.
- Created a new source of employment support through the entrepreneurial concept of Employment Networks (ENs) and the "Ticket". The "Ticket" and ENs



have been much maligned and it is true that there are not very many effective ones. ABIL happens to have one of the more productive ENs because we understood from our own experience the intent of the Ticket, the opportunity it provided and a personal understanding that some people, even with severe disabilities, want to work and are able to do so. With our Independent Living model of programs by and for people with disabilities, we have supported many people back to work. I have observed three flaws in the courageous EN/"Ticket" concept. More recently SSA has addressed these issues.

- **No technical assistance was provided to ENs** in the beginning, as was provided to MIGs and BPAOs/ WIPAs which was much needed for this total systems change effort. ENs were not required to get training and certification in the SSA work incentives like WIPAs were. Most ENs didn't understand how to manage an effective EN under this entrepreneurial concept and had no technical assistance to help them.
- **Reimbursement process:** Service providers that contracted with the Veterans system or the Vocational Rehabilitation (VR) system got reimbursed to work with people with disabilities whether they actually ever got them to work or not, and whether the person stayed employed more than 90 days or not. Whereas, the ENs were totally different, only getting reimbursed after they accomplished the employment goals of moving beneficiaries toward self-support through employment, for up to five years! I don't think SSA understood what a system change this was. The EN concept grew out of the disability community because we knew that people needed employment support options in addition to VR. We knew that not everyone could get services or need services from VR. We also wanted outcomes of true sustained employment. We knew, from our experience, many people returning to work, or working for the first time would need sustained support to stay employed. It's been difficult to manifest truly effective Employment Networks because most traditional employment providers couldn't afford to provide services with a long wait to get reimbursed from SSA for their services.
- **Marketing of the Ticket early on.** SSA has struggled to find effective ways to market the "Ticket" and help support the start up of effective ENs without the funds to do so. Even now, beneficiaries are sent out information during their first year on benefits about the Ticket and work incentives. If the beneficiary works during that first year they are likely to be disqualified for ever having been disabled enough to get benefits and be required to pay back all cash benefits received. The SSA requirement to be eligible for benefits is that the beneficiary be disabled for 12 months or longer.

My perspectives are colored by my personal experience. I have had a chronic health condition (severe psoriasis and psoriatic arthritis) since age 9 (I am now 63) that has prevented me from being able to work at times in my life. I was an SSDI beneficiary

from 1973 until 1980. At that time, the only work incentive I knew about was Section 8 housing that helped subsidize a portion of my rent and that gradually ramped down as my income increased. Going back to work was one of the scariest things I have ever done to make a better life for my daughter and myself. I didn't know what I was capable of at that time after years of failed medical treatments for my skin condition. My arthritis had improved from medical treatment, but I didn't know what I would do if I had a disability exacerbation. I was only in "remission" for chronic arthritis. I lacked self-confidence from years dealing with the medical system and public benefits systems that depleted my self-esteem in spite of three years of college and previous work experience. I was brought up with a strong work ethic, which only made me feel worse about myself. The SSDI cash benefit helped me survive, but living in the poverty had been devastating and left me feeling like a beggar. Because of my skin condition, I'd become embarrassed to be in public. Eventually, I returned to college twice getting a Masters degree in counseling – a career I thought I could do, even if my disability exacerbated.

My plan worked and I eventually found ABIL and the Independent Living center where I have worked for the last twenty years. Over the years with the passage of the ADA, the view of disability has changed as it now viewed from a civil rights model and not just a medical perspective. Our American society has progressed, to a more social model of disability, I believe in part from the implementation of the ADA. More people understand now what those of us with disabilities have understood for a long time, that there are times when we are unable to work because of our disabilities and other times when we can work with our disabilities and are effective employees. Sometimes we need accommodations and/or appropriate supports including access to affordable health care (including personal assistance). However, many of our public programs, including Social Security are still based on that old medical model and the view that your either "severely" disabled and unable to work or you're "improved" or fixed and not disabled. The word "disabled" has become a conundrum. For instance, the disability determination units that are deciding if a person is eligible for the Medicaid Buy-In program for people with disabilities that work has to judge whether a person is "disabled" enough to qualify for the program when in every other instance the very definition of "disabled" is that the person cannot work.

In our WIPA project at ABIL, we use a peer model and employ people with disabilities as certified Community Work Incentive Coordinators (CWICs). Some are previous SSA beneficiaries, so that they can model for SSA beneficiaries that they can work. My staff consists of persons with a variety of "severe" disabilities including Spina Bifida (chair user), paraplegia (chair user), Muscular Dystrophy, Lupus and Multiple Sclerosis. They are great marketers of the Ticket to Work legislation and the SSA work incentives and fulfill what I believe is the vision of the Ticket to Work legislation. We are living it and promoting it. We provide Customer Satisfaction Surveys to the beneficiaries that receive a benefits summary and analysis with their WIPA services. Beneficiaries often tell us how glad they are to have our services "at last" and are glad that someone can explain the SSA rules to them in a way they can understand.

Our WIPA project is statewide and we receive \$300,000 per year. The Phoenix area has over half the state's population and the rest of the state is very rural. We have had no increase in funding over the last 11 years, despite changes in the cost of living and the increase in experience and expertise of our staff. No additional funding also despite the demand for our services has increased as more people become aware of the SSA work incentives. Over half of our referrals come from our state Vocational Rehabilitation agency and SSA field offices because they value our expertise so much. We are proud of the work we have done supporting people to work their way out of poverty. Our project cost, per beneficiary last year, was \$244. From 4/1/10 to 3/31/11, 217 beneficiaries reported starting work and 45 reported increasing their wages. We provided written benefits summary and analysis for 530 beneficiaries to help them understand how earned income would affect their cash, medical and other public benefits. We provided 177 SSI, SSDI and Ticket presentations to 2,273 beneficiaries and service providers.

Last year, 113 beneficiaries that received benefit summary and analysis service responded to our customer satisfaction survey and they report the following about the WIPA services they received:

- 55 were working at the time they met with the CWIC for counseling
- 45 reported they were more confident about understanding the SSA rules around employment
- 76 replied they were more confident about working after meeting with the CWIC
- When asked on a scale of 1 (none) to 5 (extremely) the level of *fear* they had about working *before* meeting with the CWIC, the average rating was 3.74. When asked on the same 1 to 5 scale how afraid they were of working *after* meeting with the CWIC, they reported an average score of 2. They reported their fear had dropped almost 2 full points on that 1 to 5 rating scale.

I believe this feedback indicates the value of WIPA services to SSA beneficiaries. It is not unusual for someone who first got information and referral services from us to return to us several months or even years later because they have decided to try employment finally. It takes a long time to change a system and to change attitudes.

In closing, I would like thank this committee for your attention and efforts to increase the employment of persons with disabilities that want and can work. Your efforts to remove systemic barriers so that Americans with disabilities can move from being the poorest of the poor in our country to tax-paying employed citizens is extremely important. As you consider changes and improvements to SSA, CMS and other public programs to improve employment opportunities for Americans with disabilities, I urge you to consider the following suggestions:

1. Increase funding to SSA and DOL for work incentive related programs. Currently, the vast majority of SSA disability funding goes towards Title II and Title XVI income support which a small percentage goes towards employment support programs. Many more people could and would go to work if they had the

- employment support, ongoing health care, personal assistance, assistive technology, job training, career development, job coaching, etc.
2. Continue to have a cross agency/government program effort to remove employment barriers.
  3. Continue to provide funding for technical assistance for the Ticket programs including the MIGs, WIPAs, PABSS and Employment Networks.
  4. Continue Medicaid Infrastructure Grants, at least for those states that have had grants less than 10 years because it takes that long to get silos to cooperate, collaborate effectively and identify and remove barriers located in policy and law.
  5. Continue Employment Network Options – Please don't "throw the baby out with the bath water". Rather, create rules that weed out the bad ENs and supports the good ENs by listening to the most effective ENs and the beneficiaries they serve. Beneficiaries still need access to employment support outside the limited VR system meant for the most severely disabled individuals.
  6. Include people with disabilities that are employed in the creation and oversight of programs.
  7. If you're going to continue the WIPA programs, which of course I hope you do, fund them at least at the level to keep up with inflation over the last 12 years and require SSA to have standard universal outcome criteria for program effectiveness evaluation. Have representation from current WIPA projects and previous SSA beneficiaries be involved in the development of this standard outcome criteria. Keep in mind that SSA has only started collecting our come data during this most recent economic downturn when you evaluate the success of the program. People with disabilities are often the last hired and the first let go during poor economic climates. Arizona has been particularly hard hit.
  8. Increase the Student earned Income Exclusion work incentive to promote employment experience for youth with disabilities. Require all youth transition plans to include work incentive counseling.
  9. Expand the age that beneficiaries can use various work incentives and programs like the Medicaid Buy-In, WIPA, PABSS and EN work incentives. Youth need to have the ability to start part time employment as early as 14 to be commensurate with their peers' early employment experience. Many people want to continue working and some cannot afford to stop working at retirement age or at 65. Our SSA age of retirement is increasing and likely in this budget, environment will increase even more. Remove the upper age limit for all work incentive programs.
  10. Include in the IEP process for youth participation in extracurricular activities because in the real employment world, those experiences are just as important as scholastic achievement to successful employment.
  11. Continue to simplify work incentives. The use of demonstration grants to study the results of different kinds of work incentives. This is important because it is critical to make changes that have been fully evaluated so that those persons with disabilities who are unable to work and need the support the SSA disability programs supply are not harmed.
  12. Continue to remove any programmatic disincentives to employment.

13. Increase opportunities for educational and job training. Most programs are limited to specific populations, like those laid off during the economic downturn. We need more re-careering opportunities..

Thank you for the opportunity to submit testimony on this extremely important issue. I would be happy to respond to any questions you might have.

Respectfully submitted,

Donna (Amina) Kruck,  
VP/Director of Advocacy Programs  
Arizona Bridge to Independent Living

Project Director for the SSA Work Incentive Planning and Assistance Program for Arizona and SSA Benefit Offset National Demonstration Project for Arizona and SE California  
Medicaid Advisory Committee Member  
National Association of Benefits and Work Incentives Specialists Board Member



June 6, 2012

The Honorable Sam Johnson  
 The Honorable Xavier Becerra  
 The Honorable Geoff Davis  
 The Honorable Lloyd Doggett  
 House Committee on Ways and Means  
 1102 Longworth House Office Building  
 Washington, D.C. 20515

RE: Letter of Record: promote asset limit reform in the Supplemental Security Income program to enable work for people with disabilities

Dear Chairman Johnson, Chairman Davis, Ranking Member Becerra and Ranking Member Doggett,

The Corporation for Enterprise Development (CFED) thanks you for holding the September 23 hearing on Work Incentives in Social Security Disability programs. CFED is a national nonpartisan nonprofit organization dedicated to expanding economic opportunities for all Americans. CFED believes that Congress and the Administration should provide American households pathways to financial security and self-reliance through programs and policies, and the community of people with disabilities is no exception.

We agree with the committee that work participation rates among people with disabilities is far too low, and more should be done to help this segment of the United States that can work and save to contribute to their communities and ultimately increase their financial self-reliance. Those that can work should be able to work and save money in a financial account to improve their financial self-reliance without fear of losing benefits or medical coverage above a minimal safety net.

The Social Security Administration (SSA) recognizes the value in having Social Security disability program recipients working to improve their economic security. Programs such as Ticket to Work, Work Incentives Planning and Assistance (WIPA), and the Plan to Achieve Self-Support (PASS) program are a few of the programs the SSA uses to encourage disability beneficiaries to return to work. These programs provide beneficiaries with continued benefits and medical coverage while working or pursuing an employment goal, a critical and popular incentive, however, does not address the widespread issue of poverty within the disability community.

The Supplemental Security Income (SSI) program provides cash-assistance to more than eight million Americans, over seven million being people with disabilities. Like many federal benefit



programs, the SSI program includes an income and asset test. The asset limits for this program discourages recipients to open bank accounts, work and save. Individuals cannot hold more than \$2,000 in total assets and couples no more than \$3,000. These limits have not been adjusted for more than two decades (since January 1, 1989).

These limits are detrimental and punish those considering opening bank accounts and finding work:

- **The asset test punishes individuals with disabilities who are currently working but saving for a future time when they may be unable to work.** If their medical condition or disability worsens in the future, they will be penalized for their efforts and unable to enroll in SSI.
- **The asset test also hinders recipients' economic mobility.** While many of the work incentive programs allow recipients to increase their income, it does nothing to incent savings. Recipients are discouraged from setting aside any of their earned income for pursuing education, building a retirement nest egg, or saving for an emergency or a down payment on a home. The PASS program is too complex to solve this problem.
- **Discourages families from saving for their other children.** A high number of SSI enrollees are children. Due to SSI's deeming rules, parents of children who receive SSI cannot have more than \$2,000 in savings (\$3,000 in two parent households). The SSA counts the parent's assets over \$2,000 as part of the child's \$2,000 asset limit. Not only does this limit hurt the child receiving SSI, but it hurts everyone living in the household because the parent cannot save on behalf of any additional children.

For example, when CFED tried to open children's savings accounts for a specific Boys and Girls Club or school, the family would turn down the free bank account for fear they would jeopardize their SSI and Medicaid benefits. We have heard that asset tests are one reason that Maine's Next Gen program has only a 38% take up rate. The Alford Foundation provides \$500 for every newborn in the state of Maine for a 529 account. It's tragic that families fear opening college accounts for children will put their current survival at risk.

Given the high levels of asset-poverty (insufficient savings to cover 3-6 months of expenses without a steady income) within the disability community, CFED advocates for and promotes policies that improve the financial stability of people with disabilities. Lawmakers should create policies that enable and encourage savings.

We recommend the following reforms which are contained in the SSI Saver's Act (H.R. 2103):



- **Raise asset limits to \$5,000/\$7,500 for individuals/couples and index the limit to inflation:** Allowing SSI recipients to have a slightly higher level of savings provides them with a buffer against one-time emergencies; without this modest buffer they are vulnerable to predatory lenders, deeper poverty, hunger, and potential homelessness, and will ultimately require greater government assistance. It would also encourage households receiving SSI to open savings accounts and participate in the financial mainstream. Some states already recognize the value of raising the asset test of their programs: Colorado and Delaware increased the asset limits of their TANF programs to \$15,000 and \$10,000 respectively. Five states (AL, LA, MD, OH and VA), eliminated asset tests in TANF completely. Indexing the SSI asset limits preserves a modest level of personal savings.
- **Exclude retirement accounts, education savings accounts and savings bonds from the asset test:** Exempting retirement accounts from the asset limit will allow SSI recipients the chance to accumulate modest savings and ultimately be less dependent on government support for survival during retirement. Excluding special savings accounts such as 529s and Coverdell ESAs will allow recipients to save for their education, which will improve their earning potential over their lifetimes and thus their financial stability. The trend of excluding savings vehicles in federal benefit programs is growing. Dozens of states exempted certain types of accounts such as retirement, health savings education savings accounts or individual development accounts from the asset test of their TANF and/or Medicaid programs. Senator Saxby Chambliss (R-GA) led efforts in 2008 to reform the asset test in the SNAP program by excluding retirement accounts and education savings accounts and indexing the limit to inflation. Excluding savings bonds enables individuals with disabilities to receive gifts from families and personal investments in a safe and accessible vehicle now able to be purchased on tax forms.

Thank you, Chairman Johnson, Chairman Davis, Ranking Member Becerra and Ranking Member Doggett, for working to increase the workforce participation rates of and the financial stability for people with disabilities. To truly take advantage of any work incentive programs, asset tests must be reformed to allow recipients to save and plan for the future. Both income and assets are key to one's economic security.

Sincerely,

*Carol E. Wayman*

Carol E. Wayman  
Director of Federal Policy  
CFED

1200 G Street, NW Suite 400, Washington, DC 20005  
202 207 0125, [cwayman@cfed.org](mailto:cwayman@cfed.org), <http://www.cfed.org>



October 7, 2011

Subcommittees on Social Security and Human Resources  
House Ways and Means Committee  
Washington, DC

Re: Joint Hearing on Work Incentives in Social Security Disability Programs  
September 23, 2011

Dear Chairman Johnson, Chairman Davis and Members of the Subcommittees:

I am a Senior Attorney at the Disability Law Center, the Protection and Advocacy agency for Massachusetts. I have worked with clients on Social Security benefit issues for over 30 years. I submit these comments based on my many years of experience.

I agree with the testimony provided by Cheryl Bates-Harris, National Disability Rights Network, on behalf of the Consortium for Citizens with Disabilities (CCD). I will not repeat the issues contained in the CCD testimony. Instead, I will make three brief interconnected points emphasizing what I have seen over the years.

My first point is that the Ticket to Work provisions can and do help individual benefit recipients get the information and support needed to make back to work attempts, but SSA needs the staff and IT support necessary to adjust benefits on time. There is no bigger work disincentive than an attempt to work that results in a large benefit overpayment. When benefit recipients report work, they should be able to expect SSA to correctly apply the rules and quickly adjust benefits. The complexity of the work incentive rules and SSA's staffing shortages in recent years at the local SSA offices where people submit their wage stubs have resulted in delays in adjusting benefits and large overpayments of benefits. SSA has been trying to make improvements, but this requires an adequate budget for staff, training, and IT support.

My second point is that it is crucial that SSA's demonstration authority continue. SSA is in the midst of considering simplification of the Social Security Disability Insurance (SSDI) work incentive rules, which are impossibly complex to understand and apply. Benefit recipients and the organizations that serve them do not understand these rules, resulting in never knowing when an individual who is working is or is not eligible for benefits. SSA staff need special training to understand and work with these rules. The current SSDI work incentive rules create large workloads for SSA staff, result in large overpayments for unsuspecting benefit recipients, and add to the appeals work load. SSA must have demonstration authority in order to test concepts for needed improvements.

My third point is that beneficiary support is crucial to enhance use of the work incentives to return to work in general and to encourage use of the Ticket to Work specifically. My office receives PABSS funding and conducts many community outreach events to beneficiaries and community service providers on SSA's work incentives, and we often work with the Massachusetts Work Incentives Planning Assistance (WIPA) grantees and even SSA personnel in so doing. People in the community are hungry for help understanding the complex work incentive rules and why things went so wrong for them or for their clients with regard to work related benefit overpayments. In addition to the information provided in community events, part of what we do is speak to individuals one to one about the work incentives, help beneficiaries read and understand their notices from SSA, and provide understandable explanations of the work incentive rules and their reporting responsibilities. This outreach is necessary, but beneficiaries must also have confidence that they can rely on SSA to quickly and correctly apply the work incentives rules to adjust benefits and keep benefit overpayments to a minimum, as stated in my first point.

Thank you for this opportunity to provide comment.

Respectfully,

Linda Landry  
Senior Attorney  
Disability Law Center  
11 Beacon Street, Suite 925  
Boston, MA 02108  
617-723-8455 ext. 154  
617 -723-9125 (fax)  
llandry@dlc-ma.org

---

**Statement for the Record of Health & Disability Advocates**

**Joint Hearing on the**

**Work Incentives in the Social Security Disability Programs**

**Before the Human Resources and Social Security Subcommittees of**

**the United States House of Representatives**

**Committee on Ways and Means**

**September 23, 2011**

*Health & Disability Advocates is a national policy and advocacy group headquartered in Chicago, Illinois. HDA provides direct technical assistance to Medicaid Infrastructure Grants in 30 of the 42 states through their TA Center – the National Consortium for Health Systems Development (NCHSD) which is dedicated to working with states to build sustainable workforce policies and programs that support competitive, integrated employment.*

#### **Work Incentives for Social Security Disability Beneficiaries**

The Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs are a vital safety net for adults and children with disabilities. The income support received through these programs prevents millions of Americans from living lives of abject poverty and homelessness. The importance of these programs to one of our nation's most vulnerable populations cannot be overstated. The basic structure of both of these programs is sound and should not be altered. Although more could be done to assist adults with disabilities receiving SSDI or SSI benefits to go to work, or divert more workers with disabilities from applying for benefits to begin with, returning to work at a self-supporting level is not likely for many disability beneficiaries. Evaluation of the success of the current programs designed to assist disability beneficiaries work efforts must be take that fact, the fractured systems of supports and services for people with disabilities, and the current state of the economy, into account to be accurate.

Health & Disability Advocates applauds Chairman Johnson and Chairman Davis for holding a hearing on the important topic of the Social Security work incentives and the Social Security Administration's administration of the programs. For those individuals with disabilities receiving benefits whose health and other circumstances make work an option, these programs can be an integral part of success. Ensuring adequate services and supports are available at the time that a person is ready to try to work, including benefits planning and counseling services such as those available through the Work Incentives Planning and Assistance program, can make the difference between an individual becoming self-sufficient and continuing to receive benefits. It is essential that these services continue to be provided and ought to be expanded to allow more individuals to receive services.

#### **Return to Work Is Unlikely for Many Beneficiaries**

Although many people with disabilities receiving Social Security disability benefits have work as a goal, it is important to remember that work isn't always attainable for many beneficiaries. Applying for disability benefits is usually the last resort of a person with a disability, after they have exhausted their savings and other resources. Many have worked for years since the onset of their condition and continued to do so until their health has deteriorated to the point where they no longer could. It is important to remember that a person will only be

approved for benefits if the Social Security Administration finds that they have a work-limiting impairment so severe that **they cannot do any job that exists in the national economy** in sufficient numbers. Unlike other income support programs, disability benefits, both SSDI and SSI, are programs for people whose injuries, illness or chronic conditions are so severe that they prevent the individual from working. Any evaluation of the success of return to work efforts must be completed with this fact in mind. It also means that reforms made to other income support programs to encourage recipients to work that have been successful are likely not translatable to SSI and SSDI beneficiaries.

There are a number of factors that make working for many SSDI and SSI beneficiaries difficult. First, by the time a person with a disability is approved for benefits, sometimes as long as two years after application, the individual is often in very bad health. For example, forty-six percent of people receiving SSDI benefits in a recent National Beneficiary Survey categorized their health as being poor or very poor.<sup>1</sup> Generally, the health of people receiving benefits also gets worse each year. Nearly 1 in 2 beneficiaries reported that their health had declined over the past year in that same survey.<sup>2</sup> Fifteen percent (1 in 7) of SSDI beneficiaries die within 37 months of receiving benefits. Very ill beneficiaries, like people with advanced stage cancers, severely debilitating arthritis, cardiac failure, and end stage renal disease are not likely candidates for going to work. So although there are many beneficiaries who could work if their health improved after they were awarded benefits (and the services and supports they need to assist them are available), work is simply not an option for many people receiving benefits.

In addition, even though many disability beneficiaries are still in what is considered their “work years,” most beneficiaries tend to fall toward the older end of that age range. In 2009, nearly 70% of all SSDI disability beneficiaries were over age 50 and 30% were over 60.<sup>3</sup> People applying for and being awarded benefits are also older, with just under 60% of newly awarded benefits in 2009 going to people over 50 and 13% over age 60.<sup>4</sup> Forty-five out of one-hundred disabled workers receiving benefits qualified for benefits based on an age related-impairment, impairments which are likely to worsen rather than improve over time.

Low educational attainment also limits the employment potential of many disability beneficiaries. According to the National Beneficiary Survey, 67% of SSDI beneficiaries have a high school diploma or less (and 30% did not finish high school).<sup>5</sup> Combined with their advanced age and health status, this low educational attainment makes work unlikely for many disability beneficiaries.

#### **People Don't Choose Benefits**

Disability benefits are modest and many people with disabilities continue to live in poverty even when their disability benefit is taken into account. Most people with disabilities have done everything they can and exhausted their savings before submitting a disability application. Nobody wants to live on the benefits received through the disability programs. The benefit amounts are different in SSI and SSDI but both are modest. The maximum federal benefit for 2011 for SSI is \$674/month for an eligible individual and \$1011/month for an eligible individual with an eligible spouse. If both spouses are eligible, they can receive \$12,132 per year.

SSDI benefit amounts, on the other hand, are based on the workers previous earnings. SSDI benefits only replace a percentage of the workers previous earnings and, especially for low and moderate earners, are also quite modest. The average monthly benefit in August 2011 for a SSDI program beneficiary was only \$1,070 per month, an annual income of just \$12,840.<sup>6</sup> It is important to keep in mind for comparison purposes that a person working full-time 40 hours per week and earning the federal minimum wage of \$7.25/hour earns \$15,080 annually.<sup>7</sup> As a matter of fact, nearly one-third of the people receiving SSDI live in households with total household income below 100% of the federal poverty level.<sup>8</sup> People with work limiting disabilities, despite the availability of SSI and SSDI, are 4.5 times more likely to live in chronic poverty than people without disabilities.<sup>9</sup> Forty-seven percent of those living in poverty overall are people with disabilities and 65% of people living in long-term poverty are people with disabilities.<sup>10</sup>

#### **Increased Program Participation Reflects Demographic and Economic Realities**

Health & Disability Advocates understands the concern regarding the status of the SSDI trust fund and the increase in expenditures from the general fund to pay for SSI. However, major demographic and economic factors outside of the structure of the disability programs are in large part responsible for the increase in participation

seen in recent years. They have also contributed to seeing less people receiving disability benefits returning to the workforce. First, a significant part of the increase in applications and participation in the disability programs is attributable to the aging of the United States population, as the baby boomers have entered their "high disability" years. People are twice as likely to be disabled at age 50 as they are at age 40 and twice as likely as to be disabled at age 60 as they are at age 50.<sup>11</sup>

Second, the influx of women into the workforce since the 1970s has meant that more women have paid into the SSDI program and are eligible for benefits when they become disabled. In 1990, men receiving disability benefit at a percentage twice as high as women.<sup>12</sup> In 2009, when many more women workers had worked long enough to be covered by SSDI on the basis of their own earnings, 47% of the disabled workers receiving benefits were women.<sup>13</sup> This change in the nature of the workforce, and the corresponding increase in the **total number of people eligible to apply for benefits** when one becomes disabled, has significantly contributed to the increase in participation rates in the DI program.

These demographic changes have been accompanied by changes in the US labor market that make it more difficult for people with disabilities to become employed and retain employment when they acquire a disability or an existing disability worsens. First, available job opportunities are increasingly more likely to require skilled and educated workers. As discussed earlier, two out of three people receiving SSDI benefits have no more than a high school diploma. SSI beneficiaries tend to be even less educated and have no or very little work history primarily because of their significant health care needs and lack of access to affordable services and supports.

Finally, the recession has made it more difficult for workers with disabilities to become employed or keep their jobs when an illness or injury causes them to become disabled. People with disabilities are often the "last hired and first fired" in times of economic downturn. It is no surprise then that applications for SSDI increase during recessions.<sup>14</sup> Employers are often less likely to accommodate a worker with a disability when there is an abundant supply of labor and the employer can choose between an otherwise equally qualified person with a disability and a large number of their non-disabled peers.<sup>15</sup> This certainly appears to be the case in the current

downturn with the unemployment rate hovering right around 9% overall and near double for people with disabilities with attachment to the workforce (at 16.1%).<sup>16</sup>

#### **Current Work Incentives Should Be Maintained and Expanded**

Whether a person's work limiting impairment prevents the person from obtaining or maintaining employment is influenced by many factors and the environment in which the person lives. The person's overall health, beyond just the specific disability for which the person was approved for disability benefits, can have a significant impact on whether a person can work at a given time. For example, a person approved for benefits due to having an advanced stage cancer might be dealing with multiple and significant side effects (e.g. fatigue, inability to concentrate, weakness) from their treatment and course of chemotherapy that will restrict their ability to work. The person might later be able to work if the cancer is in remission and they have recovered from the side effects of treatment but the status of their health will determine whether work is an option.

Many other factors in the person's environment can also impact their ability to work. The lack of accessible transportation and/or supportive services (like personal attendant care for a person with a physical disability) in the area where the person lives can significantly restrict the ability of a person with a work limiting impairment to obtain employment. Employment opportunities in the area are a key factor as well. Not just whether there are any opportunities but also the nature of the jobs. Lacking the education or skills to be qualified for any job opening is a significant factor in the inability of a person with a work limiting impairment to work. The level of support from family and friends can also be an important part of the equation.

The fractured system of services and supports for people with disabilities has resulted in numbers of individuals attempting return to work only to be cut off the long-term services and supports required to live independently in the community and maintain employment. These fractures have resulted in a negative message to people with disabilities regarding return to work. Because Medicaid is the only option for access to long-term services and supports individuals are only willing to earn high enough to maintain connectivity to the program that allows them to survive. Enhancing the ability to streamline opportunities to return to work without jeopardizing care is the only way to build a bridge to employment. Eliminating access to SSI would result in greater



numbers of individuals being forced into institutionalized care which costs exponentially more in comparison and vastly eliminates any possibility of return to work. Over the last 20 years all data, research, and policy innovation has been to transition people from institutionalized care to community approaches and living. Removing SSI as an income support would vastly increase costs and stifle work attempts by disability beneficiaries.

The totality of a person's situation must be examined when one considers whether a person with a disability is able to work. The SSI and SSDI programs cannot provide everything a person with a work limiting impairment might need to maintain or obtain employment. All of these factors can and do change over time. The health of a person with a work limiting impairment can improve or they might qualify for a transportation subsidy that they were on a waiting list for that will allow them to get to a job. Ensuring that the infrastructure and supportive services necessary to help them return to work are available **at the time** that the person decides that they are able to attempt to work is vital.

An essential part of that infrastructure is benefits planning and work incentives information. When an individual with a disability who is receiving public benefits considers entering the workforce, it is important for that person to understand the effect that employment will have on those benefits. Beneficiaries are fearful of making a work attempt because losing access to healthcare as result of working jeopardizes the ability to live independently in the community. Reviewing and analyzing an individual's benefits is what's known as "benefits planning" so that people with disabilities who work or increase their income are not placed in jeopardy as higher income levels trigger different reactions in different public benefits programs (such as food stamps, housing or Medicaid).

Lack of knowledge and/or misconceptions about how benefits will be affected by work serve as powerful barriers to workforce participation by people with disabilities. If the people providing services to people with disabilities are not well versed in the safety net created by the work incentives, they will not be able to counsel the people they serve regarding either their availability or their use. The lack of knowledge and expertise of service providers (State, private, and non-profit) around the work incentives serves as a systemic barrier to not

only the increased utilization of the work incentives but to the employment of people with disabilities more generally.

Benefit planning services continue to be needed by people with disabilities as they consider entering the workforce. Training and technical assistance to employment service providers regarding work incentives must be a substantial part of this effort. The need for benefits planning services is ongoing. Each person with a disability considering making a work attempt needs access to timely and accurate information about how working will affect benefit eligibility. Changes to state and Federal benefit program rules, such as those created by implementation of the Patient Protection and Affordable Care Act of 2010 and work incentive changes being considered by the Social Security Administration, will make the continued availability of benefit planning professionals even more essential.

Benefits planning services result in increased work and earnings for people who receive these services. One study found that people who received benefits planning services were nearly 20% more likely to be employed than those who did not.<sup>17</sup> Another evaluation showed a positive correlation between increases in earnings and the receipt of benefits planning services.<sup>18</sup> Benefits planning services result in more people receiving SSI and SSDI becoming employed and increasing their earnings.

The Work Incentives Planning and Assistance (WIPA) program should be reauthorized. The availability of accurate and timely information is critical to SSI and SSDI beneficiaries successfully returning to work. It is especially important now that the Medicaid Infrastructure Grant (MIG) program established by the Ticket to Work and Work Incentives Improvement Act of 1999 is due to sunset at the end of this calendar year. MIG programs have been providing additional funding for training of benefits planning professionals and the establishment of benefits planning infrastructure in many states. WIPA programs have relied on this funding to help meet the extensive benefit planning needs of SSI and SSDI beneficiaries. In fact, 33 of the WIPA projects were provided with additional resources by the MIG grantee in their state and 10 projects received more than 75% of their funding from sources other than WIPA grants. It is vital that the WIPA program continue to make benefits counseling available once the MIG funding has ended.

There are other ways in which the return to work efforts of SSI and SSDI beneficiaries can be supported by the Social Security Administration:

- Better tracking of earnings reports to reduce overpayments: SSDI beneficiaries are required to report any change in earnings to the Social Security Administration (SSA). If a person's earnings are not accurately reported to and recorded by SSA it can result in an overpayment in benefits to the working SSDI beneficiary. Overpayments to SSDI beneficiaries totaled \$1.4 billion in 2010.<sup>19</sup> Fear of such an overpayment and the requirement to pay it back can create a significant disincentive to work attempts for many SSDI beneficiaries. Many beneficiaries indicate they report earnings but SSA either loses the report or fails to adjust the check appropriately. Creating a secure, online avenue for electronic earnings reports, for example, (as is available for reporting other changes) could potentially eliminate this disincentive. SSA could also do better data matching with other state (e.g. unemployment insurance) and Federal (e.g. Internal Revenue Service) data sources on income and earnings. Finally, forgiving overpayments that are not the fault of the beneficiary could also reduce that disincentive.
- Eliminate backlogs for processing disability applications: The length of time required to process an application for SSDI benefits can also have an impact on the work behavior of people with work impairments. In 2008, it took an average of 532 days for a person to receive a decision regarding their eligibility for disability benefits if they needed to appeal to an Administrative Law Judge. SSA had reduced that to an average of 353 days as of June 2011.<sup>20</sup> The delay between application and benefit receipt can make an SSDI beneficiary reluctant to attempt to work because they do not want to have to go through the process all over again if they try work and fail. Although there is a program rule designed to allow people an easy and quick return to benefits should a work attempt fail, eliminating the backlog in processing disability applications could increase the work behavior of SSDI beneficiaries. Recent cuts to the administrative budget

for the Social Security Administration might reverse that positive trend, leading to increases in the processing time for applications and an increased disincentive to work attempts.

- Ensure adequate healthcare coverage for people with disabilities: Adequate, accessible, and affordable health care is vital for people with disabilities. Prior to passage of the Patient Protection and Affordable Care Act (PPACA), people with disabilities faced significant discrimination in the private health insurance market, often being denied coverage due to a pre-existing condition or charged outrageous premiums which prevented them from purchasing the plan. The changes to insurance coverage rules and the opening of the insurance exchanges have the potential to ensure working people with disabilities have access to the affordable health care they need which could keep them in the workforce longer. But even passage and implementation of the PPACA is not a panacea for all the health care challenges people with disabilities face. People who receive SSDI also are eligible for health care coverage through Medicare but must receive benefits for 24 months before the coverage begins. If a person returns to work and loses their eligibility for SSDI benefits due to earnings, the person can continue to receive Medicare for 93 months. After 93 months, the person is no longer eligible for premium free Medicare. Fear of losing health care coverage can serve as a powerful work disincentive. Eliminating the 24 month waiting period and creating a permanent eligibility for Medicare could provide significantly encourage people with disabilities to work. Creating a national Medicaid Buy-In program could also assure access to working people with disabilities.
- Improvements to and simplification of the current work incentives: The disability programs do have a number of rules designed to encourage beneficiaries to work or at the very least not penalize them for doing so. These rules, however, are complex and in many cases do not completely eliminate the disincentives to making a work attempt. Making changes to those rules could assist those beneficiaries for whom working is an option to make a work attempt. These include eliminating the so-called "cash cliff" by creating a gradual reduction in benefits for earned

income rather than the current all or nothing benefit structure, creating a presumptive eligibility for benefits following a failed work attempt, and simplifying the process for determining which expenses can be used to offset earnings.<sup>21</sup>

- <sup>1</sup> Gina Livermore et al., *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations: Characteristics, Employment, and Sources of Support Among Working-Age SSI and DI Beneficiaries*, Final Report, April 2009, p. 10, [http://www.ssa.gov/disabilityresearch/documents/TTW5\\_2\\_BeneChar.pdf](http://www.ssa.gov/disabilityresearch/documents/TTW5_2_BeneChar.pdf)
- <sup>2</sup> Livermore et al, page 10
- <sup>3</sup> Social Security Administration, *2010 Annual Statistical Supplement to the Social Security Bulletin*, February 2011, Table 5.D4, <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/>
- <sup>4</sup> *Ibid*, Table 5.C2
- <sup>5</sup> *Ibid* xli, 8
- <sup>6</sup> Social Security Administration, Office of the Chief Actuary, <http://www.ssa.gov/OACT/ProgData/irp.html>, last accessed September 10, 2011. Average benefits for disabled women workers is even lower at \$935/month. *Ibid*.
- <sup>7</sup> See <http://www.dol.gov/dol/topic/wages/minimumwage.htm>.
- <sup>8</sup> Gina Livermore et al., *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations: Characteristics, Employment, and Sources of Support Among Working-Age SSI and DI Beneficiaries*, Final Report, April 2009, p. 8, [http://www.ssa.gov/disabilityresearch/documents/TTW5\\_2\\_BeneChar.pdf](http://www.ssa.gov/disabilityresearch/documents/TTW5_2_BeneChar.pdf)
- <sup>9</sup> Gina A. Livermore and Peliyun She, *Long-term Poverty and Disability Among Working Age Adults*, Research Brief, August 2006, <http://digitalcommons.ilr.cornell.edu/edicollect/1226/>
- <sup>10</sup> Livermore and She, *Long-term Poverty and Disability Among Working Age Adults*, Research Brief, August 2006, <http://digitalcommons.ilr.cornell.edu/edicollect/1226/>
- <sup>11</sup> Kathy Ruffing, Center on Budget and Policy Priorities, *What the 2011 Trustees' Report Shows About Social Security*, May 24, 2011, 8, <http://www.cbpp.org/cms/?fa=view&id=3500>
- <sup>12</sup> Kathy Ruffing, Center on Budget and Policy Priorities, *What the 2011 Trustees' Report Shows About Social Security*, May 24, 2011, 8, <http://www.cbpp.org/cms/?fa=view&id=3500>
- <sup>13</sup> Social Security Administration, *2010 Annual Statistical Supplement to the Social Security Bulletin*, February 2011, Table 5.D4, <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/>
- <sup>14</sup> *Ibid* xiii, 16; see also Social Security Administration, Office of the Chief Actuary, <http://www.ssa.gov/oact/STATS/table6c7.html>, last accessed September 11, 2011 (showing that applications increase during times of economic downturn).
- <sup>15</sup> See Van Doorn Doms; see also *NASI Balancing Security and Opportunity* 63
- <sup>16</sup> United States Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/news.release/empsit.t06.htm>, accessed September 11, 2011.
- <sup>17</sup> Sarah Wilhelm and Sarah McCormick, *The Impact of a Written Benefits Analysis by the UBPAQ/WIPA on Vocational Rehabilitation Clients' Outcomes*, Center for Public Policy and Public Administration, University of Utah, 2011
- <sup>18</sup> Cynthia Gruman et al, *Medicaid Infrastructure Grant: The Impact of Benefits Counseling and Vocational Rehabilitation on Earnings*, Spring 2010
- <sup>19</sup> Government Accountability Office, *Disability Insurance: SSA Can Improve Efforts to Detect, Prevent, and Recover Overpayments*, GAO-11-724, July 27, 2011, available at <http://www.gao.gov/products/GAO-11-724>
- <sup>20</sup> Michael J. Astrue, Testimony before the Committee on Ways and Means Subcommittee on Social Security and the Committee on the Judiciary Subcommittee on the Courts, Commercial and Administrative Law, Joint Oversight Hearing on the Role of Social Security Administrative Law Judges, July 11, 2011 available at [http://waysandmeans.house.gov/UploadedFiles/Astrue\\_Testimony.pdf](http://waysandmeans.house.gov/UploadedFiles/Astrue_Testimony.pdf)
- <sup>21</sup> For a complete list of options for work incentives reforms as well as other suggestions to improve employment outcomes for people with disabilities, see [http://www.c-o-d.org/task\\_forces/employment/CCD-Enp-TF-Statement-of-Principles.pdf](http://www.c-o-d.org/task_forces/employment/CCD-Enp-TF-Statement-of-Principles.pdf).



#### 2008 Board of Directors

Thomas P. Golden, President  
800.255.2731  
[tpgolden@nabwis.org](mailto:tpgolden@nabwis.org)

Mary Ridgely, Vice-President  
508.450.1363  
[maryr@nabwis.org](mailto:maryr@nabwis.org)

Susan Daniels, Past-President  
Chair-Development Committee  
302.765.8970  
[SDaniels@earthlink.net](mailto:SDaniels@earthlink.net)

James Smith, Region I Rep  
[james.smith@nabwis.org](mailto:james.smith@nabwis.org)

Jim Sheridan, Region II Rep  
[jimsheridan@nabwis.org](mailto:jimsheridan@nabwis.org)

Ann Row, Region III Rep  
[annrow@earthlink.net](mailto:annrow@earthlink.net)

Laura Caffey Richardson, Region IV Rep  
Chair-Membership Committee  
[laurac@earthlink.net](mailto:laurac@earthlink.net)

Barb Smith, Region I Rep  
Chair-Governance Committee  
[barbsmith@earthlink.net](mailto:barbsmith@earthlink.net)

Norine Jaloways, Region VI Rep  
[norine@earthlink.net](mailto:norine@earthlink.net)

Suzanne R. Paulson, Region VII Rep  
Secretary-Development Committee  
[suzanne@earthlink.net](mailto:suzanne@earthlink.net)

Kathy Bates, Region VIII Rep  
[kathy@earthlink.net](mailto:kathy@earthlink.net)

Amelia Quinn Kneek, Region IX Rep  
[ameliak@earthlink.net](mailto:ameliak@earthlink.net)

Atulya Sultayan, Region X Rep  
Secretary/Treasurer  
508.708.1800  
[atulya@earthlink.net](mailto:atulya@earthlink.net)

### Testimony on the Social Security Administration's Employment Support Programs for Disability Beneficiaries

By Mary P. Ridgely, Acting President  
*National Association of Benefits and Work Incentives Specialists*

To the U.S. House Ways and Means Committee, joint meeting of the Social Security Subcommittee and Human

October 7, 2011

It was with much interest that I read the testimony of the individuals invited to the joint hearing on work incentives in Social Security Disability Programs, held by the Committee on Ways and Means, Subcommittees on Social Security and Human Resources, on September 23, 2011. I appreciate the opportunity to submit additional comments on behalf of the National Association of Benefits and Work Incentives Specialists (NABWIS), an organization representing work incentives benefits coordinators/specialists across the United States.

There is no question, given the testimony presented by four of the five individuals at the hearing, that work incentives planning and assistance is a valuable and critical service for beneficiaries of Social Security Disability programs. The evidence is in the collaboration between Walgreens and local WIPA programs to ensure that "accurate information" is provided to employees who have questions about earnings and benefits. The value of the WIPA program is also evident by the partnership between the state vocational rehabilitation agency and the WIPA, reflected in the statement from CSAVR that described the WIPA program as a "proven benefit that works" and one that should be reauthorized at a level that provides the "resources needed to ensure that this critical service is available to beneficiaries".

Dr. Kregel's testimony spoke to the cost effectiveness of the WIPA program and the correlation with higher rates of employment and higher earnings for beneficiaries receiving intensive services as well as reduction in benefits, resulting in savings to the trust fund that will "increase dramatically over time". Dr. Kregel also pointed out that WIPA Community Work Incentives Coordinators perform a function that would otherwise be the responsibility of SSA Field office personnel, and this results in significant time saving for SSA.

Unfortunately, in our opinion, the available data is very conservative when projecting cost savings. As the data shows, WIPA programs are working with larger numbers of beneficiaries, with efforts focused on those employed or very likely to be employed to maximize the use of funding dollars. The cost savings goes beyond the Social Security Trust Fund. We see people reducing their dependence on Medicaid, nutrition assistance, housing assistance, and energy assistance. They are not only less dependent on the system, they are contributing to the local, state and federal tax base and increasing their consumption of goods and services, which is good for the economy.

Two years ago, NABWIS presented testimony before the Social Security Subcommittee of the House Ways and Means Committee. Several of the recommendations made at that time continue to be relevant and will be reiterated here:

1. *Require the SSA to conduct a demonstration to simplify the existing array of work incentives that exist and improve consistency across the SSI and SSDI programs.*

In his testimony on September 23<sup>rd</sup>, Associate Commissioner Robert Williams mentioned that the President's budget for FY 2012 includes a legislative proposal to reauthorize for five years SSA's section 234 demonstration authority for Disability Insurance (DI), which allows them to use Trust Fund monies to conduct various demonstration projects, one of which would involve testing alternative methods of treating work activity of DI beneficiaries. The President's Budget also includes a proposal that would authorize us to conduct the Work Incentives Simplification Pilot (WISP) to test improvements in return-to-work rules by simplifying the treatment of beneficiaries' earnings.

While we support an effort to simplify return-to-work rules, and subsequently reduce the number of overpayments of SSDI, we recommend that SSA be required to use what was learned in other demonstration projects such as the SSDI \$1 for \$2 offset pilot, as well as the Benefit Offset National Demonstration currently underway.

2. *Expand the current allocation of resources for both the WIPA and PABSS by 25% with an annual cost of living adjustment to ensure that the existing workforce and effort are maintained at adequate levels. Subsequently, require the SSA to conduct a cost/benefit analysis to determine per beneficiary costs to provide a formula for future allocations.*

Associate Commissioner Robert Williams spoke of the complexity of the work incentives, and the assistance of Community Work Incentives Coordinators being of "vital importance" and "critical" to support the return-to-work efforts of beneficiaries of SSI and SSDI. For more than ten years, WIPA and PABSS have operated on the same or reduced levels of funding in spite of the fact that the demand for services has increased. We believe that the stated value of the program warrants an increase in funding to levels that allow the programs to offer the high quality of service that SSA desires for beneficiaries.

3. *Identify a clear set of performance standards and indicators for the three facets of the work incentives outreach provision.*

Many of the NABWIS members have been in the field since before the inception of the BPAO program. We are seriously committed to ensuring that beneficiaries receive accurate and timely information that results in an informed return-to-work decision. We welcome the establishment of performance standards for the WIPA program. In his testimony, Dr. Kregel recommended that "WIPA programs 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 the dependence on SSA benefits. While we support the idea of outcome-based performance standards, we believe that outcomes for the WIPA program need to be carefully designed, and take into consideration variables that are beyond the control of the WIPA grantee, such as 1) access to quality employment services, 2) unemployment rates, 3) the cost of providing services in regions with higher percentages of non-English speakers or people who are hearing impaired, thus requiring interpreters, 4) operating with insufficient staff in large cities like New York, Boston, Phoenix, 5) difficulties associated with serving a large geographic region of a state with low population rates. We urge the SSA to use input from WIPA programs when designing performance standards, such as that collected in a survey of WIPA program managers in 2008.

4. *Require the SSA to collect and annually distribute a statistical supplement/update on the return to work and work incentive utilization rates of SSDI beneficiaries.*

SSA publishes an annual report on the SSDI program that includes the number of beneficiaries who work, the number terminated from the program, but it does not address the use of SSDI work incentives.

Associate Commissioner Williams also spoke to the need to focus on the "quality of services" and "outcomes" for beneficiaries, and the expectation that WIPA programs will help beneficiaries achieve financial independence by building savings and assets in addition to reaching an employment outcome. While we agree with the goal of financial independence for beneficiaries of Social Security Disability programs, we recommend that SSA consider the potential ramifications for beneficiaries who will always need to rely on other public benefits for long-term health coverage and long-term support services. Even if employer-sponsored health insurance is available when a beneficiary returns to work, those plans typically do not pay for personal assistance services or other medical equipment, experimental medications and treatment that is necessary for an individual to remain independent. Maintaining eligibility for Medicaid coverage is the challenge for individuals requiring long-term care. Rules limiting income and assets for Medicaid-eligibility may restrict a person's ability to save for retirement. We recommend that Congress require SSA to collaborate with the Centers for Medicaid and Medicare (CMS) to find a solution to this barrier to true financial independence.

Many of the WIPA grantees have received additional support from the states through the Medicaid Infrastructure Grant funds, implemented by the CMS for the past decade. A number of states have used the funds to establish centers/programs that offer training and support to work incentives specialist, ensuring that the quality and accuracy of information to beneficiaries extends beyond the federal program to the state and local benefit programs. Another reason for SSA and CSM to collaborate could be the continued support of quality and excellence in WIPA programs as well as the employment supports that are so needed by beneficiaries if they are to be successful.

Thank you for the opportunity to submit testimony on this extremely important issue. I would be happy to respond to any questions you might have.

Respectfully submitted,



Mary P. Ridgely, President  
National Association of Benefits  
And Work Incentives Specialists

CC: NABWIS Board of Directors





House Ways and Means Committee  
Subcommittees on Social Security and Human Resources  
Joint Hearing on Work Incentives in Social Security Disability Programs  
September 23, 2011, 9 a.m.

The National Disability Rights Network (NDRN), is the nonprofit membership organization for the Protection and Advocacy (P&A) system and Client Assistance Program (CAP). The P&A/CAP network was established by the United States Congress to protect the rights of people with disabilities and their families through legal support, advocacy, referral, and education. The P&A/CAP network is the largest provider of legally based advocacy services to people with disabilities in the country.

NDRN strives to create a society in which people with disabilities are afforded equal opportunity and are able to fully participate by exercising choice and self-determination. It promotes the integrity and capacity of the P&A/CAP national network by providing training, technical assistance, legislative advocacy, and legal support. NDRN advocates for the enactment and vigorous enforcement of laws protecting the civil and human rights of people with disabilities. NDRN also advocates for opportunities for people with disabilities to realize their full potential by obtaining the services that they need to live independently, and work in integrated and competitive environments.

Through the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program, the P&A network assists Social Security recipients to navigate the Ticket to Work programs and overcome barriers to full employment. Every year, PABSS advocates work with thousands of people around the country to help them return. In many cases, this allows the person to get off Social Security disability benefits. The following are some examples of the success that PABSS advocates have had around the country:

1. **Kansas** – A woman has dyslexia and has worked full-time at a national pet store chain for more than 13 years. She has trouble working the cash register and was not required to work it. A new manager started and immediately told her that she had to work the cash register or go to a part-time employment status. Going part-time would mean that she would lose her health insurance and be required to go back on federal health benefits. Disability Rights Center of Kansas PABSS staff worked with the client and her employer on accommodations which enabled her to work the cash register enough to retain full-time employment.
2. **Missouri** –Missouri Protection and Advocacy Services assisted a 41-year-old man who suffers from Becker's Muscular Dystrophy. He contacted

900 SECOND STREET NE, SUITE 211 • WASHINGTON, DC 20002-3560  
TEL: 202.408.9514 • FAX: 202.408.9520 • TTY: 202.408.9521  
WEBSITE: WWW.NDRN.ORG • E-MAIL: INFO@NDRN.ORG

Missouri Protection and Advocacy Services for assistance in negotiating repairs for his vehicle. He lives in a rural area that has limited, if any, public transportation which meant he used his vehicle to get to work on a daily basis. Client was having difficulty in getting a warranty company to pay for the repairs necessary for him to use his vehicle. The PABSS staff reviewed the request for information from the warranty company, and assisted him in gathering the information regarding the cause of the damage to the vehicle and submitting it to the warranty company. After receiving the information, the warranty company agreed to pay for the necessary repairs, enabling the client to again have the use of his vehicle and remain employed.

3. **North Carolina** – Disability Rights North Carolina represented a person with mental illness who needed assistance purchasing a cab. He and a job counselor with an Employment Network (EN) had determined that driving a cab would be a type of employment compatible with his disability, his interests, and his skills. However, in order to purchase a cab, he needed access to a lump sum payment of his retroactive SSDI award, which had already been set up by the local SSA unit to be paid out in installments. PABSS staff with Disability Rights North Carolina reviewed relevant regulations and then advocated for this change with the local SSA office. SSA decided to honor the client's request, allowing him to purchase a vehicle and go to successfully work for the cab company.
4. **Wyoming** – PABSS staff with the Wyoming Protection and Advocacy System represented a 57-year-old female SSDI beneficiary. The beneficiary was diagnosed with bilateral blindness and orthopedic disabilities, and had not been employed for several years, since losing her eyesight. As a direct result of PABSS advocacy, the Wyoming State Division of Vocational Rehabilitation (DVR) found her presumptively eligible, conducted an appropriate Comprehensive Assessment of Rehabilitation Needs, and negotiated with the beneficiary's former employer to allow her to return to her longtime previous part-time position. DVR purchased assistive technology devices and services, trained the employer on use of the devices, and trained the beneficiary on the devices, and as a result, the beneficiary has returned to part-time employment, and is gradually taking steps toward regaining full-time employment.
5. **Alaska** – An advocate from the Disability Law Center of Alaska assisted a woman with legal blindness and anxiety with developing a business plan for the Social Security Administration's Plan for Achieving Self Support (PASS) program. The PASS reporting requirements caused the client severe anxiety. The P&A advocate provided constant support for the client, enabling her to carry out her business plan more easily and to complete the reporting required by PASS. Ultimately, the business was so successful that it was featured in an Anchorage newspaper. It continues to thrive and grow to this day.

The PABSS program is a lost-cost and effective program that allows many people with disabilities to obtain or maintain employment. Currently, the unemployment rate for people with disabilities is almost twice the unemployment rate for the general population. Strengthening this program is a smart and simple way to help people with disabilities become, maintain, or advance in employment and get and keep people off of federal benefits.



# Oregon

John A. Kitzhaber, MD, Governor

September 23, 2011

Chairman Johnson, Chairman Davis  
Committee on Ways and Means  
Joint Hearing on Work Incentives in  
Social Security Disability Programs

## Department of Human Services Office of Vocational Rehabilitation Services

500 Summer St. NE, E-87  
Salem, OR 97301  
Voice: 503-945-5880  
FAX: 503-947-5025  
Toll Free: 877-277-0513



74,866 adult Oregonians receive SSI and more than that number receive Medicare because of a disability. We mirror the national statistic that 70% of those with disabilities want to work, including youth exiting school. A common fear of many Social Security beneficiaries in Oregon, is that they will lose their healthcare or benefits if they work. In a 2010 Portland State University study, 44% stated that they had experienced that fear but it was alleviated after Work Incentive Network (WIN) services.

Oregon's WIN program, a network of work and benefits planners, has published results from two survey studies, to date, completed in 2010 and 2011, when the state employment rate was 11% or higher.

A few study results are outlined below:

- Individuals receiving WIN services increased their quarterly earnings by an average of \$333.00, slightly less than the average of studies in other states.
- 4% and 5% of participants began working. While this figure was similar in two studies, it provides incremental increases over time.
- Hours worked increased for two study groups by 38% and 50%.
- 34% who were employed prior to WIN services increased their income.
- TANF dependence of participant households declined 31%.

Oregon Vocational Rehabilitation, with assistance from Disability Rights Oregon (DRO), Oregon's WIPA program, developed Oregon's Work Incentive Network (WIN). This high quality program requires that WIN staff participate in WIPA staff training and regular ongoing technical assistance and training. WIN and DRO work to counteract fear and confusion with knowledgeable counsel and careful planning.

Oregon, like other states, lacks the capacity to serve all SSI and SSDI recipients who want to return to work but are concerned about having health insurance and income support when unable to work full time. Support and expansion of WIPA is critical to these individuals' successful return to work.

Thank you for the opportunity to provide information to the Joint Hearing record.

Stephaine Parrish Taylor, Administrator  
Oregon Vocational Rehabilitation Services, Department of Human Services

Cc: Oregon's Congressional Delegation  
Erinn Kelley Siel, Director, Oregon Department of Human Services

*"Assisting People to Become Independent, Healthy and Safe"*  
An Equal Opportunity Employer

Steve Kofahl  
President  
AFGE Local 3937, AFL-CIO  
c/o Social Security Administration  
701 Fifth Avenue  
Suite 2900, M/S 106  
Seattle, WA 98104-7075  
tel. 425-275-8770  
e-mail: stevekofahl@aol.com

September 18, 2011

**Statement for Joint Hearing on Work Incentives  
in Social Security Disability Programs**

**House of Representatives Ways & Means Committee  
Subcommittee on Social Security  
Subcommittee on Human Resources**

**September 23, 2011**

Honorable Sam Johnson, Chairman, Social Security Subcommittee  
Honorable Xavier Becerra, Ranking Member

Honorable Geoff Davis, Chairman, Human Resources Subcommittee  
Honorable Lloyd Doggett, Ranking Member

Dear Chairmen and Ranking Members,

Thank you for the opportunity to submit my statement for this very important Hearing. I have proudly served as a Social Security Administration Claims Representative since September 4, 1973. During my career I have taken and processed many initial applications and appeals for Social Security and Supplemental Security Income benefits, and conducted numerous "medical issue" and "work issue" continuing disability reviews. I offer this statement, however, as a representative of the American Federation of Government Employees, AFL-CIO. AFGE Local 3937 serves approximately 1500 SSA employees who work in 60 offices in Alaska, Idaho, Oregon, and Washington. They work in a large Teleservice Center, in six Office of Disability and Review offices, in 52 field offices, and in the Regional Office of Quality Performance.

AFGE has received briefings from SSA, and bargained with the Agency, regarding the implementation and operation of two major return-to-work initiatives, Project Network and Ticket to Work. I was the AFGE Chief Negotiator for Project Network. Dana Duggins was the AFGE Chief Negotiator for Ticket to Work.

#### **Project Network**

Project Network consisted of four pilot programs involving eight field offices. In the Referral Manager Pilot, SSA employees provided detailed information to applicants and beneficiaries about vocational rehabilitation services in their communities. Three Case Manager Pilots featured comprehensive vocational rehabilitation services furnished locally by private sector providers, state vocational rehabilitation services, or SSA field office employees. The pilots started in 1992, and ended in 1994. The Agency contracted with Abt Associates Inc. to produce a formal evaluation of Project Network, but the report was never produced. Fortunately, weekly reports were mailed to me from all eight sites throughout the Pilot, and they are still in my files. SSA clients were very satisfied with the information and assistance received, especially in the Case Manager pilots. Significant numbers of them successfully returned to work or increased their earnings. Employee participants found the work rewarding, and felt that disabled individuals who had personal assistance from them in navigating through the Agency's complex rules were more likely to return to work, and to increase their earnings, than those who merely received referrals or were in a control group that received no extra services.

During a briefing this year with Agency officials about possible insourcing of work currently performed by contractors, I described the Project Network experience, contrasted it with the failure of Ticket to Work, and urged SSA to consider once again employing a case manager model using SSA employees. We were told that the MAXIMUS Inc. contract to manage Ticket to Work was up for possible renewal near the end of this year. I offered to provide the Project Network weekly reports, and to discuss the matter further, but I have not been recontacted.

#### **Ticket to Work**

AFGE Chief Negotiator Dana Duggins raised concerns about SSA's decision to select MAXIMUS Inc. to manage the Ticket to Work program, based on their history of legal and performance problems, and the Agency's relationship with the contractor. Former SSA Commissioner John A. Svahn (5/81-9/83) was MAXIMUS Chairman of the Board from 1987 – 1994, and is reportedly responsible for bringing Linda S. McMahon to the Agency from her position with the State of California. Ms. McMahon served as San Francisco Regional Commissioner, then Deputy Commissioner for Operations (with a brief stint as Acting Commissioner), from 1991 – 2009.

Ms. Duggins urged the Agency to establish SSA employee Work Incentive Liaisons in all field offices, using the demonstration project authority in the Ticket to Work legislation, so that clients would have trained experts available in their communities to answer questions and

provide assistance, but the Agency rejected the idea. Instead, a handful of Work Incentive Liaisons have been established who have little or no contact with disabled beneficiaries, located principally in Area and Regional Offices, to answer questions and provide assistance primarily to other Agency employees rather than to clients. Had SSA established the Work Incentive Liaison function as a collateral duty for one or more employees in each field office, rather than rely on several layers of contractors, AFGE believes that Ticket to Work could have been a success. Vocational rehabilitation experts in each office could ensure that every new applicant and beneficiary receives a proper explanation of work incentive rights, and responsibilities to report work. Currently, Claims Representatives have no time to fully explain work incentives to new applicants and beneficiaries, as they take one benefit application after another in tightly-scheduled appointments. If these field office employee experts also provided case management services to new applicants and beneficiaries, as was done with Project Network, clients would receive help when it is most likely to result in return to work. The longer individuals are out of work, the less likely it is that they will return, especially in today's economy where discrimination by employers against the long-term unemployed has become a real concern.

#### **Making Smart Investments in Return to Work and Overpayment Prevention**

Throwing more money to MAXIMUS and Employment Networks (ENs) that are not held accountable to SSA and taxpayers is not the answer. The Government Accountability Office Report of May 2011 (GAO-11-324) shows that the current program is a failure. Only 2.3% of the 12.7 million Tickets issued have been assigned to an EN. Neither the Agency, nor the managing contractor, is providing adequate oversight to the ENs. Too often, the ENs merely refer beneficiaries to State Vocational Rehabilitation Services for help, then pocket taxpayer dollars when Ticket-holders are later assigned to them. State budget crises prevent expansion of State Vocational Rehabilitation Services. Ongoing and proposed demonstration projects to provide additional incentives are unnecessary, and don't address all of the problems. Work Incentive Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security Programs (PABSS) cannot provide complete one-stop service.

The Agency should build on the success of Project Network, and establish comprehensive services in our 1300 field offices, where disabled individuals first contact us. Funds set aside for SSA to conduct continuing disability reviews in this year's debt limit agreement, and approval of the President's FY 2012 administrative funding request for SSA, should be used to provide the staffing support needed to make it work. Additional staff in field offices will also allow us to handle the work reports that come in, and often must be set aside rather than worked to prevent overpayments, because employees can barely keep up with fast-increasing initial claims and appeals interviews and receipts. If those funding sources are not fully made available to support the proper program administration that Americans have paid for and deserve, then SSA administrative accounts need to be taken off-budget now. The Trust Funds continue to receive more in total income than is paid out in benefits, money that is intended to pay benefits and to support excellent service-delivery.



Written Testimony of  
 APSE  
 For the  
 U.S. House of Representatives  
 Subcommittee on Social Security  
 Hearing on  
 "Work Incentives in Social Security Disability Programs"  
 September 23, 2011

Chairman Thompson, Chairman Davis and members of the Subcommittee, thank you for the opportunity to submit testimony for the hearing "Work Incentives in the Social Security Program."

APSE is a national non-profit membership organization, founded in 1988 as the Association for Persons in Supported Employment, now known as APSE. APSE is the *only* national organization with an *exclusive focus* on integrated employment and career advancement opportunities for individuals with disabilities. APSE has chapters in 35 states and the District of Columbia. Our members come from all 50 states and Puerto Rico, as well as several foreign countries.

The evidence is extremely clear: people with intellectual and developmental disabilities can successfully work in the community. For over 20 years, the Institute for Community Inclusion has tracked employment outcomes for individuals served by state developmental disability agencies. According to the most recently available data, 20.3% of individuals are served in integrated employment – i.e., jobs in the community. After peaking at 25% in 2001, this figure has remained flat since 2004. This is unacceptable, particularly as you look more closely at this data and see the massive variation among states. Washington State leads the nation at 88%, with Oklahoma at 60%. Vermont, Maryland, Louisiana, New Hampshire, and New Mexico are also states that are well above the national average.<sup>1</sup> This is a highly diverse group of states, which have proven quite clearly that we can do a lot better than a 20% rate of individuals working in the community.

One of the key challenges for many individuals with disabilities is concern over loss of their public benefits if they go to work. The myths and misunderstanding regarding benefits among individuals, families, and service system staff are widespread. For example, many individuals say they cannot go to work because of loss of concerns over Medicaid. Yet under the Social Security Work Incentive 1619(b), individuals can earn up to a threshold amount without impacting their Medicaid coverage. This threshold level ranges from \$26,000 in Mississippi to over \$50,000 in Alaska. (source: Social Security Administration). The availability of individuals to buy Medicaid coverage on a sliding scale through the Medicaid buy-in program now available



in 44 states, is allowing individuals to maintain this necessary medical coverage at levels beyond the threshold level.

According to DRRK Disability Research, Medicaid buy-in enrollees earn more money, work more hours, contribute more in taxes, and rely less on food stamps than people with disabilities who are not enrolled.<sup>ii</sup> Individuals with intellectual and developmental disabilities must be made much more clearly aware of these and other work incentives that will allow them to succeed in jobs and careers in the community. Studies have shown that the availability of comprehensive benefits counseling positively impacts the ability and willingness of individuals to go to work.  
 iiiv

The success of employment of individuals with disabilities also requires a comprehensive approach in terms of addressing all the various aspects of operating a service system to ensure that the vision of community employment is supported. This includes ongoing staff development, with both systems staff and service providers, so that they not only embrace community employment, but also have the technical knowledge to implement it. It also requires addressing a wide range of issues, not the least of which is benefits planning and use of Social Security work incentives. It also requires service monitoring, quality assurance, engagement of individuals and families, transportation, inter-agency collaboration with public vocational rehabilitation and strong transition services from school to work, also with with a clear focus on community employment.

The Work Incentive Planning and Assistance Programs funded by the Social Security Administration have been a good starting point in assuring that individuals have accurate information regarding benefits information. More needs to be done in ensuring that individuals and families are aware of the availability of WIPA services, that WIPA services consistently provide a message that encourages employment in the community rather than simply preservation of benefits, and that WIPA services are provided in a way that is fully accessible to individuals with intellectual and developmental disabilities. Consideration also should be given to encouraging use of Medicaid Waiver funds for supporting benefits counseling services that supplement and expand those available via the WIPA programs.

The Social Security work incentives programs combined with use of incentives in the Medicaid program and other systems reform mentioned above can go a long way in ensuring that people with disabilities can truly live the American dream of equal opportunity promised by the Americans with Disabilities Act and become tax-paying, productive members of society.

<sup>i</sup> Butterworth, J., Hall, A., Smith, F., Migliore, A., Winsor, J., Timmons, J., Domin, D. (2011). StateData: The National Report on Employment Services and Outcomes. Boston: Institute for Community Inclusion, University of Massachusetts

<sup>ii</sup> Gavin, B., McCoy-Roth, M. (2010). Review of studies regarding the Medicaid Buy In Program. Boston: BU Center for Psychiatric Rehabilitation

<sup>iii</sup> Gruman, C., Shugrue, N., Kellett, K., Robison, J., Porter, A. (2010). The Impact of Benefits Counseling and Vocational Rehabilitation on Earnings. Farmington, CT: University of Connecticut Health Center

<sup>iv</sup> Delin, B., Hartman, E., Sell, C. (2010). Does Work Incentive Benefits Counseling Improve Employment Outcomes for Those with Serious Disabilities?. Stout, WI: University of Wisconsin