

# **State Variation in Benefit Receipt and Work Outcomes for SSI Child Recipients After the Age 18 Redetermination**

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## **Introduction**

As they approach adulthood, children who receive Supplemental Security Income (SSI) benefits face an important decision regarding their continued program participation. In addition to the issues that all transition age youth typically encounter, at age 18 child SSI recipients must have their eligibility for SSI redetermined under the adult eligibility criteria. Approximately one-third of child SSI recipients lose their SSI eligibility as they enter adulthood because they either do not meet the adult SSI disability criteria or leave the program for other reasons (Social Security Advisory Board 2006). Hence, the age 18 redetermination is a significant event in the lives of child SSI recipients and their families and is a source of controversy given the relatively poor outcomes of former child SSI recipients, whether they stay on SSI as adults or not (Hemmeter, Kauff, and Wittenburg 2009).

Though previous research has not directly examined state variation in age 18 redetermination rates and subsequent outcomes, that research suggests that state variation in the child SSI program may have an important role in explaining former child SSI recipient outcomes. Although SSI is a federal program, child SSI program growth has varied across states and regions, with the greatest caseload growth occurring in Texas, Pennsylvania, Florida, and California (Wittenburg et al. 2015). National redetermination rate statistics do not vary much across time, but do vary across demographic characteristics (Hemmeter and Gilby 2009). In addition, Hemmeter and Gilby (2009) found that relative to the beginning of their study period, youth nearing the redetermination during the end of their study period were less likely to be employed.

For this study, we examined state variation in age 18 redetermination decisions and both benefit receipt and employment outcomes of former child SSI recipients. State variation in child SSI caseload growth and the implications of age 18 redetermination decisions on key young adult outcomes generates several policy relevant research questions: to what extent do age 18 redetermination decisions vary across states; how different are the employment and Social Security disability benefit receipt outcomes of former child SSI recipients by age 18 redetermination status; and to what extent do young adult employment and benefit receipt outcomes vary by state among former child SSI recipients, conditional on age 18 redetermination status? Our examination of redetermination decisions and other outcomes by state explored these research questions.

## **Data and Methods**

The analysis sample consisted of former child SSI recipients who turned 18 and received their final age 18 redetermination decision by age 24. The sample included all child SSI recipients who received an age-18 redetermination between 1998 and 2006 because they represent almost all former child SSI recipients who can be observed in the data through at least age 24. Outcome statistics were presented by state, showing what percentage of former child SSI recipients (1) had their benefits ceased because of the age 18 redetermination decision, (2) received SSI or Social Security Disability Insurance (SSDI) benefits at age 24, (3) were employed in the calendar year they turned age 24, and (4) earned above the annualized

substantial gainful activity (SGA) amount in the calendar year they turned age 24.<sup>1</sup> All results were regression adjusted to control for state variation in caseload characteristics.

We used linked administrative data to conduct the analysis because these data allowed us for the first time to track state variation for the sample universe of all redeterminations. Using data from the Office of CDR Support within SSA's Office of Operations, we obtained a data extract identifying those who met our sample inclusion criteria. This file provided date of birth, gender, state of residence, primary impairment, and other variables of interest (such as whether a consultative examination was requested and when the youth began receiving SSI). The Supplemental Security Record was used to identify the gender of those sample members. The Numident file was used to identify the date of death, if applicable. Outcome data were drawn from the Supplemental Security Record, Master Beneficiary Record, and Master Earnings File.<sup>2</sup>

### **Summary and Implications of the Findings**

The age 18 redetermination cessation rate results revealed regional patterns and substantive state variation in redetermination decisions (Figure 1). Specifically, relative to the rest of the nation, states in the southeast of the United States had the highest age 18 redetermination cessation rates. The four states with the highest cessation rates—Mississippi (46.9 percent), South Carolina (44.0 percent), Arkansas (42.2 percent), and Louisiana (41.8 percent)—were in this region, and most of the other states in the southeast had cessation rates at or above 36.0 percent. Some Midwest and Mid-Atlantic states, such as Ohio (39.0 percent) and New Jersey (37.0 percent), also had relatively high cessation rates. The remainder of the country—the west (excluding Colorado), New England (excluding New York), and the non-contiguous states—had cessation rates below 25.2 percent. The unadjusted cessation rate results, including the regional patterns, look quite similar to the regression adjusted results presented in this summary.

Substantive differences exist in young adult benefit and employment outcomes at age 24 by their age 18 redetermination decision (ceased and continued). Not surprisingly, former child SSI recipients who received a continuation decision at age 18 were much more likely than those who were ceased to be receiving SSI benefits at age 24 as adults (81.1 percent vs 15.8 percent). Additionally, continued former child SSI recipients were over four times more likely than ceased former SSI recipients to receive SSDI benefits at age 24 (22.3 percent compared to 5.4 percent). These patterns of receipt indicate that the age 18 redetermination outcome has important long-term outcomes for program participation in both SSI and SSDI.

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<sup>1</sup> We defined employment as earnings in excess of \$1,160—a quarter of coverage in 2013—during the calendar year the person turned age 24. That earnings measure includes all earnings during the calendar year a person turned age 24. The annualized SGA amount was defined for the study as \$1,040—the 2013 non-blind SGA amount.

<sup>2</sup> Because access to several of the analysis data files is restricted to SSA staff with the proper security clearances, Jeffrey Hemmeter performed all data manipulations for this project.

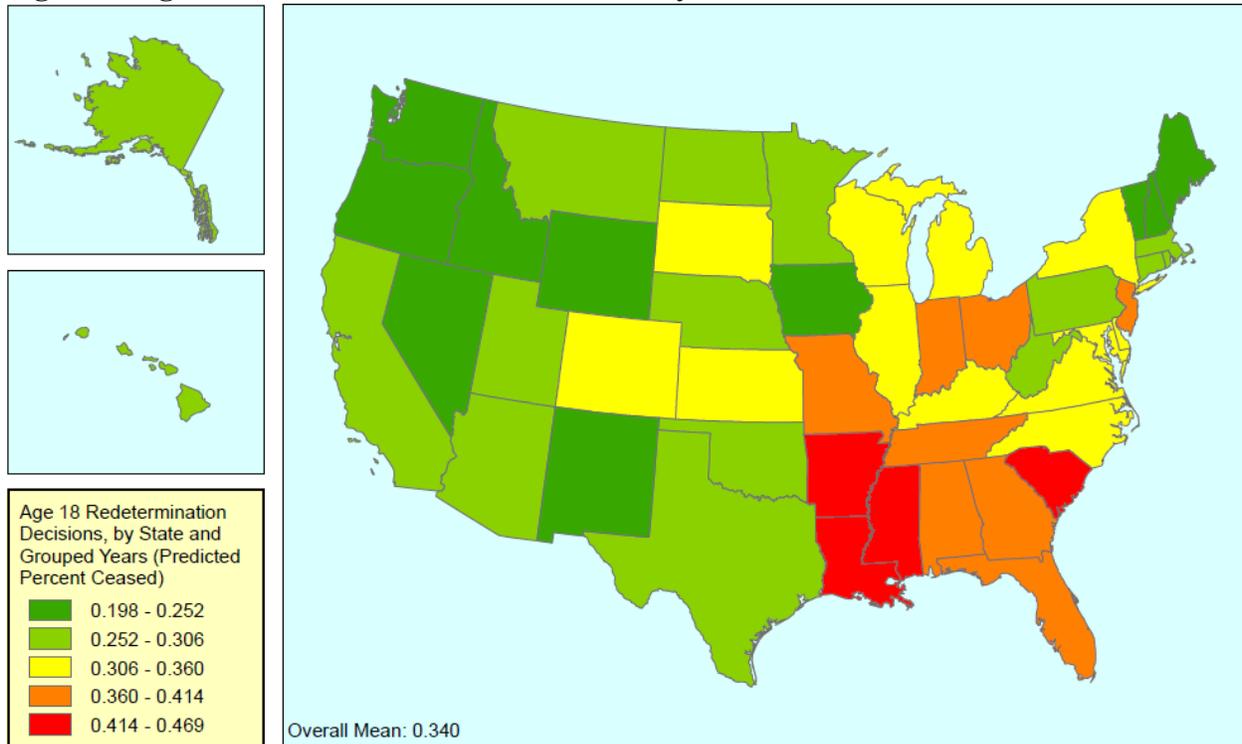
Child SSI recipients who were continued at age 18 were substantially less likely than those ceased to be employed at age 24 (20.4 vs. 49. percent) or earning above SGA (6.5 percent vs 22.4 percent). This is consistent with prior evidence of long term effects on program participation for those who received age-18 redeterminations in the mid-1990s (Deshpande 2014).

We also observed large benefit and employment outcome differences in all states by redetermination status. Specifically, within every state, ceased former child SSI recipients had higher employment rates and lower benefit receipt rates at age 24 relative to continued former recipients.

However, we have not yet determined whether the state cessation rate variation shown in Figure 1 drove cross state differences in outcomes at age 24. Several potential factors, such as differences in SSI caseload characteristics and state labor market environments, may also have influenced these outcomes and therefore must be controlled for before we can link inter-state variation in cessation rates and outcomes. We are currently exploring how to best control for these factors.

Our findings to date provide new evidence on the long-term outcomes of child SSI recipients following the age 18 redetermination. The regression adjusted findings showing cross-state differences in redetermination rates, with particularly high rates in the southern region, are somewhat surprising, given that SSI is a federal program, though there is evidence elsewhere of state variations in SSA administrative process (Social Security Advisory Board 2012). Some variations are to be expected given that disability determinations are made by state disability determination systems. However, given the potential long-term employment and program trajectories following redetermination, some further examination of these paths is potentially warranted, particularly to better understand how the different systems and administrative processes might influence long-term outcomes.

**Figure 1. Age 18 redetermination cessation rate by state**



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