

SSA Payments to State Vocational Rehabilitation Agencies (SVRAs) for Beneficiaries Who Work

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DRC Annual Research Meeting
Washington, DC

August 5, 2015

MATHEMATICA
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STUDYING DISABILITY POLICY

Vocational Rehabilitation (VR) Services and SSA Disability Beneficiaries

- **Relatively few Social Security disability beneficiaries leave the rolls because of work**
- **Beneficiaries who want to return to work often require support to do so**
- **Federal/state VR program is wide-reaching, offering employment supports to individuals who have significant disabilities**
 - **VR clients include, but are not limited to, SSDI and SSI beneficiaries**

Payments from SSA to SVRAs

- **VR agencies receive block grant funding via the Rehabilitation Services Administration (RSA)**
 - Approximately \$3 billion annually, across 80 agencies
- **SSA offers payment to SVRAs for serving beneficiary clients under two schemes**
 - “Traditional” cost reimbursement
 - As an Employment Network (EN) under Ticket to Work

Research Questions

- **What proportion of applicants to SVRAs generate a payment from SSA, and what is the average value of such payments?**
- **How does the dollar value of payments made by SSA compare with benefits forgone for work (BFW) by VR beneficiary clients?**
- **How do SSA payments and BFW vary by the agency providing services?**

Data Sources

- **SSA's 2012 Disability Analysis File (DAF)**
 - Monthly disability program participation status
 - Loss of cash benefits due to work, estimated dollar value of forgone benefits
 - VR payments from SSA to SVRAs
- **RSA Case Service Report (RSA-911)**
 - Beneficiary characteristics
 - Dates of VR service application and receipt
 - Agency providing services

Sample Selection and Description

- **Identified the first time a person sought VR between 2002 and 2007 and was a beneficiary (SSDI and SSI)**
 - 1.2 million beneficiary VR applicants across all six years
- **Presentation focuses on 266,000 who applied for VR in 2002**
 - Cohorts were remarkably similar on observables
 - Later cohorts' outcomes affected by recession and data lags

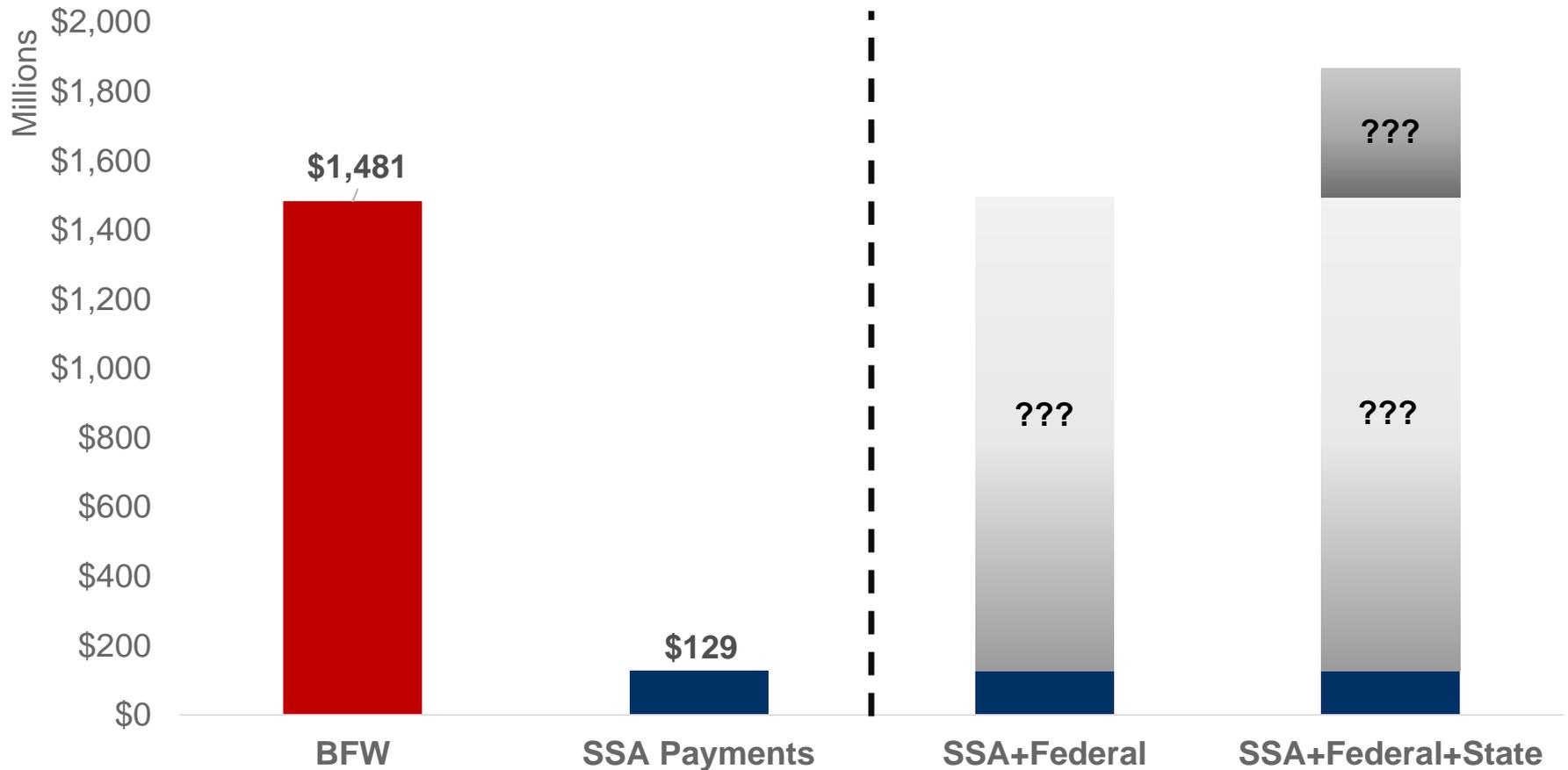
Outcomes of Interest

- **Payments from SSA to SVRAs**
 - Sum of traditional and TTW payments
 - Count all payments generated from application month through December 2012
- **Benefits forgone for work (BFW)**
 - Monthly measure constructed in DAF12
 - Dollar value of how much higher cash benefits would be if the beneficiary did not have earnings
 - Calculated separately for SSI and SSDI
 - Count all BFW from application month onward

Payments Made from SSA to SVRAs

- **Among 2002 applicants,**
 - **3.6% ever generated a cost reimbursement payment by December 2012**
 - **0.6% generated at least one TTW payment by December 2012**
- **Per-beneficiary payment values**
 - **Sum of traditional and TTW payments, from VR application through December 2012**
 - **Average: \$13,517**
 - **Median: \$8,968**

How Do SSA Payments to SVRAs Compare to BFW for VR Beneficiary Applicants?



Caveats About Counting BFW From VR *Application* Month Onward

- **Not all beneficiaries who apply for VR receive services, yet we include their BFW**
 - 40% of 2002 cohort did not receive an individualized plan for employment (IPE) after that application, but accrued 28% of BFW and 10% of payments (as a result of a subsequent spell)
- **As time progresses, the likelihood that BFW can be attributed to the receipt of VR services becomes potentially less plausible**
 - One version of our analysis truncates to a shorter period after the VR spell, reducing counted BFW

SVRAs Vary in Beneficiary BFW and Receipt of Payments from SSA

| | California (Combined) | New York (General) |
|---|--------------------------|-----------------------|
| 2002 beneficiary VR applicants | 20,039 | 19,646 |
| BFW | \$75,187,212 | 66,342,966 |
| Share of applicants with an SSA payment | 4.4% | 1.8% |
| SSA payments | \$14,409,587 | \$4,262,472 |
| Average payment value | \$16,468 | \$12,144 |

Thoughts for Consideration

- **Even under conservative assumptions, BFW exceeds payments made by SSA on behalf of beneficiary VR applicants**
 - SSA payments are small relative to total SVRA outlays for services provided to SSA beneficiaries
- **We cannot attribute BFW to the receipt of VR services**
 - Many who seek VR generate BFW without receiving services; some generate a payment
- **SVRAs vary in the extent to which beneficiary clients generate payments from SSA**

SSA Has Recently Implemented Changes to the Payment Process

- **In 2013, SSA began notifying SVRAs when beneficiaries they served earned above SGA**
 - Number of traditional VR payment claims rose by 80% between FY12 and FY13
 - Dollar value of total claims paid by SSA increased by 75% during the same period
- **Helped SVRAs identify opportunities to file claims with SSA**
- **Did BFW change during the same period?**

Acknowledgments

- **This work was funded by the Social Security Administration under the Disability Research Consortium**
- **Tremendous programming support was provided by Dawn Phelps; David Stapleton and Todd Honeycutt provided valuable insights that shaped the analysis**

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