

**Provider Experiences Under the
Revised Ticket to Work
Regulations**

Final Report

September 19, 2011

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Policy Research

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ACRONYMS

AWIC	Area Work Incentives Coordinator
CDR	Continuing Disability Review
CPR	Certification Payment Request
DAC	Disabled Adult Child
DCF	Disability Control File
DI	Social Security Disability Insurance (under Title II of the Social Security Act)
DOL	Department of Labor
DWB	Disabled Widow(er) Beneficiary
EIR	Earnings Inquiry Request
EN	Employment Network
IPE	Individualized Plan for Employment
IWP	Individual Work Plan
MIE	Medical Improvement Expected
MINE	Medical Improvement Not Expected
MIP	Medical Improvement Possible
MIG	Medicaid Infrastructure Grant
NDNH	National Directory of New Hires
OESP	Office of Employment Support Programs
OSM	Operations Support Manager
PIA	Primary Insurance Amount
PMRO	Program Manager for Recruitment and Outreach
RSA	Rehabilitation Services Administration
SGA	Substantial Gainful Activity
SSA	Social Security Administration

SSI	Supplemental Security Income (under Title XVI of the Social Security Act)
STW	Benefit suspense or termination due to work
SVRA	State Vocational Rehabilitation Agency
SVRA-EN	SVRA acting as an EN
TTW	Ticket to Work
TRF	Ticket Research File
TW	Trial Work
TWP	Trial Work Period
UI	Unemployment Insurance
VIF	Variance Inflation Factor
VR	Vocational Rehabilitation
WIPA	Work Incentives Planning and Assistance
WISE	Work Incentive Seminar Event

ABSTRACT

In this report, we present findings on the experiences of employment service providers participating in the Ticket to Work Program (TTW), a program intended to increase Social Security beneficiaries' access to and choice of quality rehabilitation and employment services. In an effort to make TTW more attractive to providers, the Social Security Administration (SSA) significantly changed the regulations that govern the program. SSA increased the potential financial benefits of the program and sought to reduce the administrative burden for providers.

The purpose of this report is to assess whether SSA's effort changed the rate of employment service providers' participation in TTW. We focus the impact of the revised regulations on providers' participation and ongoing experiences with the program. We also evaluate Partnership Plus, a new initiative that encourages State Vocational Rehabilitation Agencies (SVRAs) and Employment Networks (ENs) to serve clients more collaboratively. Our findings are based on analyses of SSA administrative data on provider and beneficiary participation and interviews with representatives from SSA, SSA contractors responsible for implementing the program, 5 SVRAs and 17 ENs.

Our findings indicate that SSA structured the revised regulations to address important challenges in the original TTW program. SSA and its contractors have successfully educated providers about the revised regulations and instituted related support systems. The revised regulations modestly expanded the number of providers and participating providers are, on average, more active in TTW than under the original regulations. SVRAs have elected to serve more beneficiaries under the outcome-based EN payment options, although they still serve the majority of Ticket-eligible beneficiaries under the traditional SVRA cost-reimbursement option. However, beneficiary and provider participation in TTW remain low relative to the number of Ticket-eligible beneficiaries. Some providers reported frustration with ongoing administrative issues or concern that the program is not financially viable for them. The number of beneficiaries who have been served under the new Partnership Plus option is also low.

SSA and its contractors are working to combat ongoing challenges with TTW through a new recruitment campaign that targets beneficiaries and providers and through ongoing efforts to streamline administrative processes.

This is the second in a series of reports that make up the sixth Ticket to Work evaluation report.

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I. INTRODUCTION

The Social Security Administration (SSA) administers two programs that provide income support to nearly 11 million working-age people with disabilities—the Social Security Disability Insurance (DI) program and the Supplemental Security Income (SSI) program.¹ Although applicants must prove that they are unable to work at substantial levels due to their impairment to receive SSI or DI, many can and do work. Some beneficiaries work at levels low enough to continue to receive benefits and others earn at levels high enough to exit the SSI and DI programs.

In recent years, Congress has adopted programs to encourage SSI and DI beneficiaries to become and remain employed. The Ticket to Work (TTW) program, included in the Ticket to Work and Work Incentives Improvement Act of 1999, is intended to increase access to, and the quality of, rehabilitation and employment services available to disability beneficiaries.² The program is designed to provide beneficiaries with greater freedom and choice of service providers, create competition among providers to provide high-quality services responsive to beneficiary needs, and give providers incentives to deliver services in the most efficient and appropriate manner to achieve desired outcomes.

Under TTW, SSA provides beneficiaries with a Ticket they can use to obtain vocational rehabilitation, employment, or other support services from participating providers called Employment Networks (ENs). These providers receive payments from SSA if the beneficiaries they serve achieve successful employment outcomes. This type of payment system is sometimes referred to as an outcome- or performance-based payment system. Congress hoped that TTW would give providers incentives to serve beneficiaries in ways that encourage them to enter the workforce and reduce their reliance on SSA disability benefits.

While TTW increased the proportion of beneficiaries who receive employment services, analyses of the program in 2002-2004 were unable to detect any effects on employment, earnings, or benefit eligibility. A major goal of TTW was to increase beneficiary choice of employment service providers, but as of 2007 many beneficiaries still had little or no choice of ENs (Stapleton et al. 2008). The vast majority (95 percent of Ticket holders in December 2007) assigned their Tickets to the State Vocational Rehabilitation Agency (SVRA) and received services from the agency as they had before TTW was implemented. The SVRAs were required to accept a beneficiary's Ticket to be eligible to receive payments for the costs of serving these beneficiaries.

In an effort to strengthen the program, SSA significantly changed the regulations governing TTW on July 21, 2008. These revised regulations were designed to make TTW more financially attractive to providers and reflect a more flexible return-to-work concept. The regulations made ENs eligible for payments for clients working at lower levels of earnings than before and increased the total value of potential payments. Additionally, SSA also sought to reduce the administrative

¹ The SSI program also serves children with disabilities and individuals age 65 and over.

² Other programs and resources included in the Ticket Act include the Work Incentives Planning and Assistance (WIPA) program, expedited reinstatement, extended Medicare coverage, Area Work Incentive Coordinators (AWICs), and state Medicaid Buy-in programs.

burden of participating in TTW for providers through implementing regulatory and administrative changes. The new regulations removed the requirement that SVRAs accept Tickets to receive cost-reimbursement payments and required only that SVRAs document that a Ticket was in use, meaning that the beneficiary was receiving employment services from the SVRA.

The purpose of this report is to assess whether EN and SVRA participation in TTW changed under the revised regulations. We focus on the impact of the revised regulations on EN and SVRA participation and ongoing experiences with the program, including the processes that providers must complete to assign Tickets and receive payments. We also focus on Partnership Plus, a new initiative that encourages SVRAs and ENs to serve clients more collaboratively.

In the remainder of the report we provide details about TTW under the revised regulations. In the remainder of this chapter we discuss the policy context, our research questions and methods, and main findings. In Chapter II, we provide more details on the revised regulations and describe what SSA and its partners, the Program Manager for Recruitment and Outreach (PMRO) and the Operations Support Manager (OSM), have done to introduce the regulations and support the program. In Chapter III, we describe the experiences of non-SVRA ENs and SVRAs accepting Tickets as ENs. In Chapter IV, we report on the SVRAs accepting Tickets under the traditional payment system or the new in-use status. In Chapter V, we describe collaboration between ENs and SVRAs, focusing on Partnership Plus, through which SSA encourages SVRAs and ENs to collaborate to provide sequential services to Ticket holders. In Chapter VI, we summarize our findings and draw conclusions about the current status of the TTW program.

A. Policy Context

ENs elect to be paid under one of two available TTW payment systems. Under the original *outcome-only* system, an EN received an outcome payment for each month (up to 60 total months) in which the beneficiary received no DI or federal SSI payments because of work or earnings. Under the original *milestone-outcome* system, SSA would pay an EN up to four milestone payments when a beneficiary achieved certain employment milestones defined by a specified number of months working at or above the Substantial Gainful Activity (SGA) level during a specified period. In addition to the milestone payments, monthly outcome payments could be paid to the EN if the beneficiary received no DI or SSI payments due to work or earnings.³ The payment amounts differed by whether a beneficiary was a DI beneficiary versus an SSI-only beneficiary. SVRAs could choose whether to serve a particular beneficiary under one of the TTW payment systems or the traditional cost-reimbursement system in place before implementation of TTW.⁴ Under the original TTW regulations, a beneficiary's Ticket had to be assigned to the SVRA for the agency to be eligible to obtain payment under the traditional cost-reimbursement system.

³ Under the original milestone-outcome payment system, outcome payments made to an EN for a particular beneficiary were reduced based on the number of milestone payments made to the provider for that beneficiary (by an amount equal to one-sixtieth of the milestone payments).

⁴ Under the traditional SVRA payment system, SSA will pay an SVRA its allowable costs of providing services to a beneficiary if the beneficiary works and has earnings above the SGA level for at least 9 months during a 12-month period.

While the number of beneficiaries receiving employment-related services increased under the TTW original regulations, participation in TTW remained low. As of December 2006, only 1.6 percent of eligible beneficiaries were participating in TTW. One reason for the low participation rate was the limited number of ENs actively accepting Tickets. Providers cited inadequate financial incentives, particularly given the financial risk of participating in this outcomes-based program, as one reason they did not accept more Tickets or had considered no longer participating. Under the original regulations, most ENs did not receive enough funding to cover their work with beneficiaries, both because most participants did not work at levels to qualify providers for payments, and because, for a variety of reasons, ENs did not receive payments for many of the months in which their clients were off the rolls (Thornton et al. 2007; Stapleton et al. 2008; Stapleton et al. 2010).⁵ Even if providers eventually generated enough revenue from TTW to cover their costs of serving the beneficiary, they had to wait for the beneficiary to qualify for payments and then for the payments to be processed, forcing them to find other ways to cover up-front costs. Providers also complained of administrative requirements they viewed as excessively burdensome, including the need to obtain earnings documentation from beneficiaries who had successfully returned to work and who may not have had an incentive to provide ENs with this information (Stapleton et al. 2008). Some providers accepted Ticket assignments but did not provide services; when surveyed in each year from 2004-2007, 40-50 percent of an early cohort of TTW participants reported that they received no services either through TTW or otherwise (Livermore et al. 2010).

The revised regulations were designed to increase provider participation by making the program more financially attractive, and thus to provide more opportunities for beneficiaries who can enter employment and leave benefits to do so. Survey data suggest that many more beneficiaries have an interest in employment than the approximately 10 percent who are working at any given time, or the one-half of one percent who leave the rolls due to work in any given year. When interviewed in 2004, about 20 percent of beneficiaries indicated they were actively pursuing work (that is, working, looking for work, or enrolled in training or employment services) and an additional 20 percent were interested in working but not actively pursuing employment. Over a four-year period (2004-2007), about 27 percent of all beneficiaries had earnings in at least one of the four years (Livermore et al. 2009, 2010).

Both the milestone-outcome and outcome-only payment systems now offer higher potential payments. Potential payments for clients on SSI have increased to be close to those for clients on DI. The milestone-only payment system includes payments at a lower earnings level than before. SVRAs no longer need to accept a Ticket to be eligible to receive cost-reimbursement payments. They may accept a Ticket as an EN, or they may designate a Ticket as in use and receive payments without completing the Ticket assignment process if they are serving the person who holds it and meet the reimbursement payment criteria. Under Partnership Plus, both SVRAs and ENs can receive payment for serving a beneficiary sequentially after the SVRA has closed the beneficiary's case and there has been a subsequent assignment of the beneficiary's Ticket to an EN. SSA also sought to make the program more attractive to providers by reducing the administrative burden of participating in TTW. In Chapter 2, we describe the revised regulations and SSA's efforts to streamline administrative procedures in greater detail.

⁵ In some cases, ENs did not file claims for the payments, and in others, ENs became ineligible because they terminated their contracts with SSA to participate in TTW.

B. Research Questions and Methods

This report aims to answer the following questions:

- What is the content of the revised regulations? In introducing the revised regulations, what challenges relating to the structure and implementation of TTW did SSA seek to address?
- In what implementation activities and ongoing support have SSA and the TTW program managers, including the PMRO and the OSM, engaged, including clarifications to the regulations and changes in administrative processes?
- How are the revised regulations perceived by ENs, SVRAs, the Office of Employment Support Programs (OESP) and the program managers?
- Has TTW participation by beneficiaries, ENs, and SVRAs changed since the new regulations were adopted?
- What economic and environmental factors have affected program implementation and outcomes?
- How are program operations conducted and how are they viewed by TTW partners?
- How has Partnership Plus been implemented and supported, and what have been the experiences of SVRAs and ENs using the program?

To understand the implementation of the revised regulations and their continuing administration, we conducted interviews with the following organizations:

- The **OESP** is an office of SSA that has primary responsibility for administration of the TTW program. It provides direction and oversight to the program managers and processes some payments. OESP representatives answered questions about policy details and their efforts to improve TTW, and provided their assessment of the program.
- The **OSM** is responsible for supporting existing ENs and processing Ticket assignments and most payments. SSA has contracted with MAXIMUS to perform the OSM functions. OSM representatives provided information on their activities and the administrative processes of TTW.
- The **PMRO** conducts marketing and education to beneficiaries and potential ENs. SSA has contracted with CESSI to perform PMRO functions. PMRO representatives described marketing activities to promote TTW and provided information about Partnership Plus.
- Five **SVRAs**, four of which have been particularly active with Partnership Plus—a program under the revised regulations that allows a Ticket to be assigned first to an SVRA and then to an EN and for both to receive payments for services provided. The fifth SVRA accepts a large number of Tickets using an EN payment option.
- Fourteen **non-SVRA ENs**, oversampling those that have accepted a large number of Tickets or have had a large positive change in the number of Tickets they have accepted since the regulations were revised.

- Three **ENs** that did not receive payment for months when their TTW participants had left the disability rolls due to work. These ENs were selected to understand why a subset of ENs had not received payments for months in which their clients had left the rolls due to work.

In Appendix A, we provide more details on our selection of SVRAs, and non-SVRA ENs

We also used SSA administrative data drawn from the Disability Control File (DCF) and the EN Provider File to generate basic descriptive statistics about EN and SVRA behavior, and the Ticket Research File (TRF) to identify ENs that had not received payments for months when their participants had left the disability rolls.⁶

C. Key Findings

Our key findings include the following:

1. **SSA and its contractors successfully implemented the regulatory changes, and have made substantial improvements to administrative and support processes to make participating in TTW easier and more appealing to providers.** Revisions focus on areas that providers cited as particularly challenging under the original regulations. These areas include funding for services before a client returns to work, limited potential payments to ENs, and the burden of completing Ticket assignment paperwork for the large number of beneficiaries served by SVRAs. The OSM educated existing ENs about the changes and the PMRO incorporated the revised regulations into its marketing efforts.
2. **Changes to TTW appear to have increased both the number of ENs actively accepting Tickets and the number of new Ticket assignments, and to have renewed EN enrollment.** Organizations were especially drawn to the increase in the amount providers receive for beneficiaries' early work efforts under the revised milestone-outcome payment structure. About twice as many ENs had accepted a Ticket during the previous 12 months in December 2009 than in June 2008.
3. **The number of ENs and beneficiaries participating in TTW remains fairly small. Participating ENs complained about slow payments and paperwork that is time-consuming, and sometimes challenging.** Many of the frustrations ENs and SVRAs described under the original regulations continue to pose challenges; obtaining timely payments is particularly challenging. SSA and its contractors continue to adjust their administration of TTW, attempting to reduce the administrative burden of participation and speed up the processing time for provider payments.

⁶ The DCF contains information on anyone who receives SSI or DI benefits, including award dates and Ticket assignments. The extract used in this report was created on June 10, 2010. An updated version for Exhibit III.5 was created April 1, 2011. The provider file contains information on the Ticket activity of all ENs and SVRAs. The TRF contains longitudinal information, including benefit amounts and Ticket assignments, for beneficiaries who have received SSI or DI benefits anytime since 1996.

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II. CONTENT AND IMPLEMENTATION OF THE REVISED REGULATIONS

A. Overview of the Revised Regulations

The revised TTW regulations focused on making the program more attractive to ENs and also made several other changes. Major changes included revisions to the milestone-outcome and outcome-only payment systems; the addition of the prior work rule; the introduction of the in use status for SVRAs; and timely progress rules (see Exhibit II.1).

Exhibit II.1. Milestone-Outcome Payments Under the Original and Revised Regulations

	Payment		Requirements	Amount (calculated at 2010 payment levels)
Original Regulations	Milestones	1	1 month at SGA	\$361 DI, \$208 SSI
		2	3 out of 12 months at SGA	\$723 DI, \$416 SSI
		3	7 out of 12 months at SGA	\$1,445 DI, \$831 SSI
		4	12 out of 15 months at SGA	\$1,806 DI, \$1,039 SSI
	Outcomes	1-60	Each month at \$0 cash benefits	\$383 DI, \$220 SSI, adjusted downward to reflect the amount paid out as milestone payments
	Total Potential Payment			\$22,980 DI, \$13,200 SSI
Revised Regulations	Phase 1 Milestones	1	1 month at 50% of TWP	\$1,275
		2	3 out of 6 months at TWP	
		3	6 out of 12 months at TWP	
		4	9 out of 18 months at TWP	
	Phase 2 Milestones	1-11 (DI) 1-18 (SSI)	Each month at SGA	\$383 DI, \$220 SSI
	Outcomes	1-36 (DI) 1-60 (SSI)	Each month at \$0 cash benefits	
	Total Potential Payment			\$23,101 DI, \$22,263 SSI

Source: Social Security Administration 2008.

1. Modifications to the Milestone-Outcome and Outcome-Only Payment Systems

Revisions to the milestone-outcome system were designed to increase overall funding; reduce the differential between milestone-outcome and outcome-only payments; equalize funding for DI and SSI beneficiaries; increase milestone-outcome revenues; and shorten the payment time for ENs serving DI beneficiaries. Total payments available now are approximately the same for DI and SSI beneficiaries, and higher for both than under the original milestone-outcome system. While under

the original regulations, milestone payments were made only when the beneficiary reached the SGA level; they now can begin once the beneficiary reaches the lower Trial Work Period (TWP) level.⁷

The revised regulations also changed the outcome-only payment system. Monthly payments are now 67 percent of the average benefit, rather than 40 percent under the original regulations, and the total number of possible payments for DI beneficiaries has been reduced from 60 to 36. Total potential payments are now higher for both groups, and approximately the same for SSI and DI beneficiaries at \$22,263 and \$23,101, respectively.

SSA issued two changes to the EN contracts in July and September 2009, to clarify when an EN is eligible for a Phase 1 Milestone 1 payment. The initial contracts issued under the new regulations stated both that Phase 1 Milestone payments (\$1,250 in 2010) were based on the TWP level of earnings, and that the first payment was available when beneficiaries achieved earnings at 50 percent of the TWP level. Many ENs understood the contract language to mean simply that they were eligible for a payment if their clients reached 50 percent of TWP in one month, and acted accordingly.

The EN staff we interviewed saw this as recognition of their need to be paid earlier rather than later, or as support for part-time employment for beneficiaries reentering the workforce and not yet working at the TWP level. However, SSA stated that the policy was intended to allow ENs to receive payments for beneficiaries who started work either in the middle of the month or with an abbreviated schedule. They reported that a small number of ENs placed clients in jobs that were never expected to lead to a job paying wages that would result in a TWP level of earnings. The new language clarifies that the milestone payment is only available at 50 percent of TWP earnings if the beneficiary's employment becomes a TWP-level job within two months. For all phase 1 milestone 1 payments made after October 2009, SSA has verified that the beneficiary reached TWP level earnings within two months, and pursued repayment when this has not been the case. While SSA reports that the problem has been solved, the ENs we interviewed about this issue were concerned it would force them to narrow the beneficiary selection process to favor those who would be most likely to earn at the TWP level. The ENs also said they were frustrated that the rule changed after their contracts were executed.

2. Prior Work Rule

New Ticket assignments under the milestone-outcome system were initially required to include a "look back"—documentation stating which of the past 18 months a beneficiary has earned at the TWP level or higher. ENs are not eligible for some or all of the Phase 1 milestone payments for beneficiaries who have earned above the TWP level in the past 18 months, though all Phase 2 and outcome payments are still available. This rule was instituted so that the new Phase 1 payments would compensate ENs for the additional cost of serving a beneficiary who had not recently been employed. There was no similar provision under the original regulations.

⁷ SGA is the earnings level at which DI beneficiaries lose their DI benefits, after completing a nine-month trial work period (TWP). The SGA level is \$1,000 for non-blind beneficiaries and \$1,640 for blind beneficiaries in 2010. The TWP level of earnings for blind and non-blind beneficiaries is \$720 for 2010.

In June 2009, the OSM began to assign Tickets accompanied by as little as six months of the work history record, rather than the 18 months formerly required. SSA expects ENs to discuss a client's work history as part of the process of completing the Individual Work Plan (IWP)⁸ and determining what services and strategies would be most useful. While SSA expects that most beneficiaries have a fairly good recollection of their work history for the past six months, SSA realizes that information prior to this period is more difficult to obtain. In general, SSA records provide an accurate account of a beneficiary's work record beyond the six-month period. If the EN is unable to obtain the full 18 months of earnings history, the OSM examines SSA records when the EN requests the first payment and determines eligibility for phase 1 milestone payments based on what is recorded at that time.

3. Introduction of the In-Use Status for SVRAs

Prior to the 2008 regulations, SVRAs could receive payments from SSA (either through the traditional reimbursement, milestone-outcome, or outcome-only payment systems) only when a beneficiary agreed to assign his or her Ticket to the SVRA and completed the Ticket assignment process. Under the revised regulations, SVRAs may submit a file of potential Ticket holders they are serving, and the Tickets of these individuals are designated as in use. While a Ticket is in use, the SVRA is eligible to be reimbursed under the traditional SVRA payment system, and the beneficiary remains eligible for a medical Continuing Disability Review (CDR) waiver.⁹ The Ticket cannot be assigned to another EN without first being taken out of use. SVRAs must still complete the Ticket assignment process to assign Tickets under the milestone-outcome or outcomes-only payment systems, but need not complete the Ticket assignment form to be eligible to receive traditional cost reimbursement payments.

4. Changes to Timely Progress Rules

Beneficiaries are generally exempt from medical CDRs while their Ticket is assigned, but if they are not making adequate progress towards work, they are again subject to periodic CDRs. The revised regulations instituted earlier reviews and more stringent requirements than were in place under the original regulations in an effort to set high expectations and encourage ENs to find employment for beneficiaries in a short time frame. The regulations also recognize that education is a step to entering or reentering the workforce for some beneficiaries, and that they may be unable to generate significant earnings while in school (Exhibit II.2). The OSM began to conduct timely progress reviews using the new standards in November 2010.

⁸ The IWP, which is required for Ticket assignment, describes the beneficiary's employment goal and the services the EN will provide to help the beneficiary reach that goal.

⁹ Medical CDRs are periodic reviews in which SSA determines whether a beneficiary has medically recovered enough to engage in SGA, or continues to be disabled based on the medical criteria used for program eligibility. Beneficiaries actively participating in TTW are exempt from these reviews.

Exhibit II.2. Timely Progress Reviews and Requirements Under the Revised Regulations

Period	Requirements
12 months	3 months at TWP or 60% of full time college credits for one year or high school diploma or GED certificate
24 months	5 months at TWP or 75% of full time college credits for one year
36 months	9 months at SGA, an additional year of college credits, or completion of a 2-year degree program
48 months	9 months at SGA or an additional year of college credits
60 months	6 months with \$0 cash benefits or an additional year of college credits
72 months	6 months with \$0 cash benefits or completion of a 4-year college degree
Every subsequent 12 months	6 months with \$0 cash benefits

Source: Social Security Administration 2008.

5. Other Changes

The revised regulations also expanded eligibility for TTW. Under the original regulations, new beneficiaries who were expected to recover medically to the point that they were no longer considered to have a disability and thus lose eligibility for benefits (Medical Improvement Expected or MIE) were able to participate in TTW only after a determination of continued eligibility after receiving their first CDR. New beneficiaries with medical improvement expected are now automatically eligible for TTW. Other changes to the program regulations included clarification that ENs are allowed to make direct payments to beneficiaries who find employment and a simplified process for One-Stop Career Centers to register as ENs. (See Stapleton et al. 2008; Virginia Commonwealth University Work Incentive Planning and Assistance National Training Center 2010; and Appendix B for fuller descriptions of other provisions in the new regulations.)

B. SSA and Program Manager Support for Implementation of the Revised Regulations

SSA and the program managers provide education, outreach, and technical assistance to new and existing ENs, SVRAs, and beneficiaries. These organizations modified and enhanced their efforts to support the rollout of the new regulations and have provided ongoing support to assist SSA in responding to emerging implementation challenges. During the rollout of the revised regulations, the OSM focused on informing existing ENs about the changes. The PMRO developed a new marketing approach targeted to potential ENs, focusing on how TTW could bring them additional revenues.

SSA and the program managers also focused on perceived weaknesses in TTW, including the program's administrative requirements, and developed strategies and tools ENs could use to overcome these challenges. Also, while SSA and the program managers initially marketed TTW to all organizations and beneficiaries equally, they now focus on recruiting beneficiaries who are most likely to return to work and on well-established agencies that are most likely to succeed as ENs. SSA and the PMRO have developed a tool that allows them to send mailings to beneficiaries who are most likely to work and leave the rolls. We describe these and other related activities below.

1. Marketing to Potential ENs and Beneficiaries

SSA, through its contractors, has increased marketing to beneficiaries and potential ENs. SSA, the PMRO, and the OSM have formed “Tiger Teams,” interagency work groups that are developing strategies to recruit specific types of potential EN providers such as One-Stop Career Centers and colleges and universities. The PMRO is responsible for executing these plans. While emphasis was initially placed on recruiting ENs, in recent years marketing to beneficiaries has become similarly important. One complication of pursuing multiple activities with similar aims at the same time is that it is difficult to rigorously assess the effectiveness of any one program. Marketing activities have generally not been implemented in a way that would facilitate easy evaluation, and while SSA and the program managers track some outcomes, data has not been collected for all initiatives, and has not always been analyzed once it is collected.

Exhibit II.3. PMRO Activities to Promote TTW

Activity	Description	Audience
Choose Work Events	<ul style="list-style-type: none"> • Taking place in 10 cities starting in June 2010 • Focused on areas of interest for participating organizations in each location • Provide networking and TA opportunities for ENs and other local organizations, information about TTW to beneficiaries and other stakeholders 	ENs, beneficiaries, and others
WISE Events	<ul style="list-style-type: none"> • Presented online and in person throughout the country by local organizations (primarily WIPAs) • 500 expected in 2010 • Provide beneficiaries with information on TTW and a chance to connect with ENs, Work Incentives Planning and Assistance (WIPA) projects, and other service providers and sources of information on benefits 	Beneficiaries and potential ENs
Ticket Express Events	<ul style="list-style-type: none"> • Took place in 2008 and 2009 in locations with few ENs but many beneficiaries • Promoted TTW and provided information to potential ENs 	Potential ENs
Online Materials	<ul style="list-style-type: none"> • EN materials include: FAQ, EN handbook, EN revenue estimator, recorded teleconferences and webinars, and a proposal writing guide • Beneficiary materials include: FAQ, testimonials 	Beneficiaries and potential ENs
Other Activities	<ul style="list-style-type: none"> • New media including Facebook, Twitter, LinkedIn • Information on events posted at www.disability.gov • Partnerships with organizations that serve persons with disabilities and those that are active in minority communities • Currently exploring partnerships with disability dating websites, Craigslist 	Beneficiaries

Source: Interview with the PMRO.

To promote the revised regulations, the PMRO increased the number of outreach venues and events, and reports having reached about 60,000 people—including beneficiaries, representatives of potential ENs, and others—since the revised regulations were released. The PMRO has also changed their materials to reflect and emphasize the revisions. PMRO representatives stated that the regulatory change gives them a more persuasive story to tell prospective ENs about the financial potential of TTW.

The PMRO has launched Choose Work, a new outreach campaign based on a website and a series of events. The goal is to recruit more ENs, assist existing ENs by providing technical assistance and a forum to share best practices, and promote the TTW program to beneficiaries. The website at www.choosework.net provides information for beneficiaries, ENs, and others. In June 2010, the PMRO began to hold Choose Work events where staff will travel to 10 major cities with a substantial number of ENs and other organizations that serve beneficiaries. These events grew out of Ticket Express events that occurred in 2008 and 2009 and focused on areas with few ENs but many beneficiaries who could potentially be served by TTW. The new events will stress collaboration between SSA, the OSM, the PMRO, Medicare Infrastructure Grantees (MIGs), Area Work Incentive Coordinators (AWICs), and other local organizations. They will also be tailored to the needs and desires of organizations that are particularly active in each area, such as One-Stop Career Centers in Phoenix and mental health organizations in New York City. The first event took place in Phoenix in late June 2010.

The PMRO provides support for Work Incentive Seminar Events (WISE), which provide beneficiaries the opportunity to learn about work incentives from WIPA staff, hear about local ENs and other employment support providers, and meet SSA field office staff. The PMRO sends invitations to beneficiaries, develops presentation materials, and assists with other logistics. In 2010, the PMRO expects about 500 WISE events, up from 299 in 2009. In 2010, the PMRO also began a monthly online WISE event, entitled WISE Webinar Wednesdays, in order to reach beneficiaries who are unable to easily leave their homes or who live in locations where a small number of WIPA staff serve a large geographic area.

The PMRO has also pursued a number of other initiatives. For potential ENs, the PMRO has established online resources including a FAQ, an EN revenue estimator, an EN handbook, recorded teleconferences and webinars, and a proposal writing guide. For beneficiaries, the PMRO has created a general FAQ, and use several other methods to disseminate information about TTW. To spread information about events and resources, the PMRO has placed a link on www.disability.gov, a web portal established by the Department of Labor (DOL) that provides information about government-sponsored services to individuals with disabilities and reaches about two million visitors annually. Recently the PMRO has begun to use social media, including Twitter, Facebook, and LinkedIn, and to explore partnerships with Craigslist and disability dating websites. They have tailored their approach to appeal to specific populations by translating materials into Spanish, partnering with organizations that are active in minority communities, and hiring a subcontractor to direct their marketing to Native Americans. They are also reaching out to organizations with which beneficiaries are involved to market TTW. The PMRO has also been involved in a marketing campaign to promote Partnership Plus, which is discussed in Chapter V.

2. Training and Support for Existing ENs

The OSM is primarily responsible for training and supporting existing ENs. OSM staff conduct Ticket Training Tuesdays, weekly teleconferences that focus on different aspects of TTW, such as

the payment process and successful outreach strategies. Once the revised regulations were approved, the OSM focused these sessions on different elements of the regulatory changes, and promoted these sessions by sending emails to ENs.

Recognizing that Ticket Training Tuesdays are focused on what a new EN or new staff member needs to know about the program, the OSM developed additional resources for longstanding ENs already familiar with Ticket to Work. To determine what information or training existing ENs needed, the OSM conducted a focus group with staff of experienced ENs. Based on recommendations from the focus group, the OSM now sends high alert technical bulletins, which highlight regulatory, policy, or procedural changes. The OSM and OESP hold a monthly teleconference with ENs to discuss technical or complex issues to which OESP staff can respond.

Each EN is assigned to one of 24 OSM representatives who answers the EN's questions and solves problems. The number of representatives has grown substantially, from 4-5 just before the revised regulations were released. ENs are able to call or email their representative directly or to call an 800 number; the OSM reports that ENs receive responses to messages within 24-48 hours. During the transition to the new system of assigned representatives, the person responsible for a given EN changed frequently. Now that the system is in place, the OSM is able to provide more individualized and timely technical assistance.

SSA is also working to address the problem of inactive ENs (agencies that have signed EN contracts but accepted few or no Tickets, not applied for payments, or not responded to contract modifications) by offering support from the OSM, placing ENs that want to participate at a future point in "hold" status (removing them from the EN directory but retaining their contract), and terminating the contracts of those that have either not responded to inquiries or have responded that they are not interested in continuing with the program.

3. Data Systems

In response to frustrations ENs have experienced with the administrative requirements of TTW, SSA is currently developing a system that will allow ENs to exchange information with the OSM electronically and view the status of their requests. The initial version of the system is scheduled to be released in the first quarter of 2011. Later versions could allow ENs to upload pay stubs and other employment records or sign forms electronically.

An independent firm is also creating Smartworks, a program that aims to allow ENs to track beneficiary progress in meeting employment goals and determine when the EN is eligible for a payment. SSA has been working with the developers to ensure that Smartworks is compatible with systems ENs use to communicate with SSA and the OSM. The PMRO has also been participating in discussions about what features the program should include.

In Chapter III, we describe beneficiary and EN responses to these new regulations, including participation rates and trends in the number of ENs and EN Ticket-taking. We also discuss EN experiences with and opinions of the program, and the effect the economy has had on TTW participation.

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III. BENEFICIARY AND EN PARTICIPATION UNDER THE REVISED REGULATIONS

SSA anticipated that the revised EN payment structure would increase the number of ENs actively accepting Tickets (Federal Register 2008). In this chapter, we examine whether increased beneficiary and EN participation manifested under the revised regulations. We find that while the number of Tickets assigned and the number of ENs had increased, these changes are fairly small. The number of ENs that had accepted Tickets in the past year has increased more dramatically, as has the number of Tickets assigned under the milestone-outcome payment system, suggesting that ENs are more active than in the past, and are interested in the new milestone-outcome system. The chapter also includes an analysis of methods that might be used to SSA to better target the Ticket mailings to beneficiaries most likely to assign their Tickets.

In this chapter, we also discuss the effect of the economy on ENs, and experiences with the Ticket assignment and payment processes. Most of this chapter focuses on non-SVRA ENs and SVRAs accepting Tickets under an EN payment option (SVRA-ENs). We describe SVRA experiences with the traditional payment option in Chapter IV.

A. Beneficiary Participation Rates

Under the revised regulations, the number of beneficiaries who have participated in TTW (either by assigning their Ticket to an EN or placing their Ticket in use with an SVRA) increased from 236,618 participants in December 2007 to 279,853 participants in December 2009. The overall participation rate in TTW increased sharply, leveled off, and then declined slightly. Because the increase began before the revised regulations were adopted, it is not clear that this change was due to the revision. In December 2006, 1.63 percent of eligible beneficiaries were participating in TTW (Stapleton et al. 2009). The participation rate increased to 2.29 percent in December 2007 and 2.40 percent in December 2008, and dropped to 2.29 percent in December 2009 (Exhibit III.1).¹⁰ Given the sharp increase between 2006 and 2007, the slight increase between 2007 and 2008 is less remarkable.

The proportion of beneficiaries who assigned their Tickets under an EN payment option increased more sharply after July 2008. This increase was due to a higher proportion of assignments under the milestone-outcome rather than the outcome-only payment system. In December 2007, 9.2 percent of beneficiaries participating in TTW had assigned their Tickets under an EN payment option rather than to the SVRA under the cost-reimbursement option, compared to 11.2 percent in December 2008 and 14.6 percent in December 2009. This increase was particularly pronounced among non-SVRA ENs.

¹⁰ The 2009 number of eligible Ticket holders includes participants who became eligible in 2009 but died or retired in that year, so this figure is a slight underestimate.

Exhibit III.1. Participation Rates by Payment System and Provider Type, December 2007, December 2008, and December 2009

	Dec-07		Dec-08		Dec-09	
	Percent	Number	Percent	Number	Percent	Number
Total Number of Beneficiaries Eligible to Participate in TTW		10,353,670		11,000,243		12,233,103
Total Served	2.29	236,618	2.40	263,849	2.29	279,853
Traditional	2.07	214,827	2.13	234,290	1.95	239,073
Milestone-Outcome	0.16	16,729	0.22	24,260	0.29	35,413
Outcome-Only	0.05	5,062	0.05	24,260	0.04	5,367
SVRAs	2.16	223,787	2.23	244,945	2.07	253,111
Traditional	2.07	214,827	2.13	234,290	1.95	239,073
Milestone-Outcome	0.07	7,068	0.08	8,699	0.10	12,076
Outcome-Only	0.02	1,892	0.02	1,956	0.02	1,962
Other ENs	0.12	12,831	0.17	18,904	0.22	26,742
Traditional	N/A	N/A	N/A	N/A	N/A	N/A
Milestone-Outcome	0.09	9,661	0.14	15,561	0.19	23,337
Outcome-Only	0.03	3,170	0.03	3,343	0.03	3,405

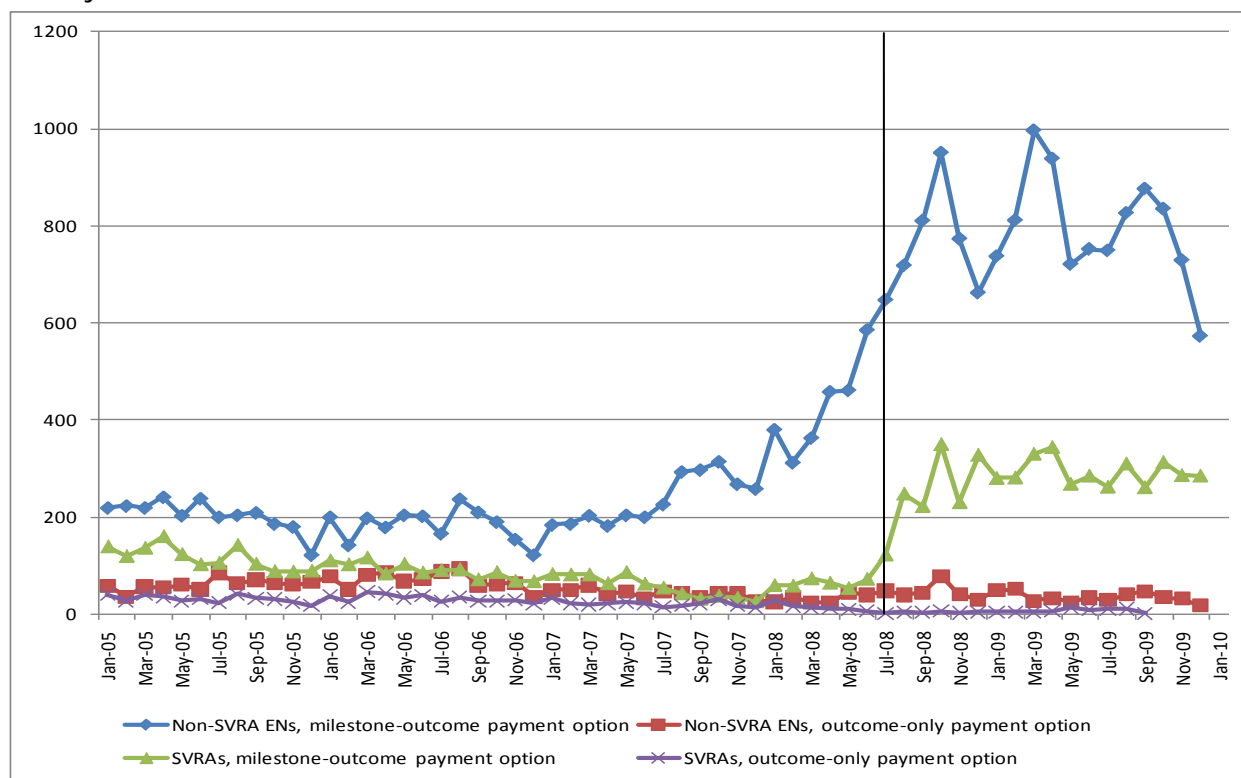
Sources: Ticket Research Files (2007 and 2008 data); Disability Control File (2009 data).

B. Changes in the Volume of Ticket Assignments

In this section, we present data on the number of new and current Ticket assignments to ENs between January 1, 2005 and December 31, 2009. “New” Ticket assignments are those occurring for the first time in the month listed; “current” Ticket assignments include all Tickets that are in assignment to ENs, regardless of when they were originally assigned.

The volume of new Ticket assignments to ENs increased sharply under the new regulations (Exhibit III.2). While ENs and SVRA-ENs accepted approximately the same volume of new Tickets under the outcome-only payment option as before the revised regulations, both accepted substantially more new Tickets under the milestone-outcome option. Among SVRA-ENs, this trend began in July 2008 when the revised regulations took effect, but among other ENs, new milestone-outcome Ticket assignments began increasing sharply in April 2008. In March 2008, ENs and SVRA-ENs accepted 473 Tickets; new Ticket assignments reached 1,384 in October 2008, and 1,357 in March 2009. SSA and the program managers began promoting the revised regulations before they took effect, possibly prompting ENs to accept Tickets in anticipation of the revised regulations.

Exhibit III.2. Number of New Ticket Assignments by Payment System and Provider Type, January 2005–December 2009



Source: Disability Control File, June 2010.

Note: The vertical line indicates the date the revised regulations took effect (July 21, 2008).

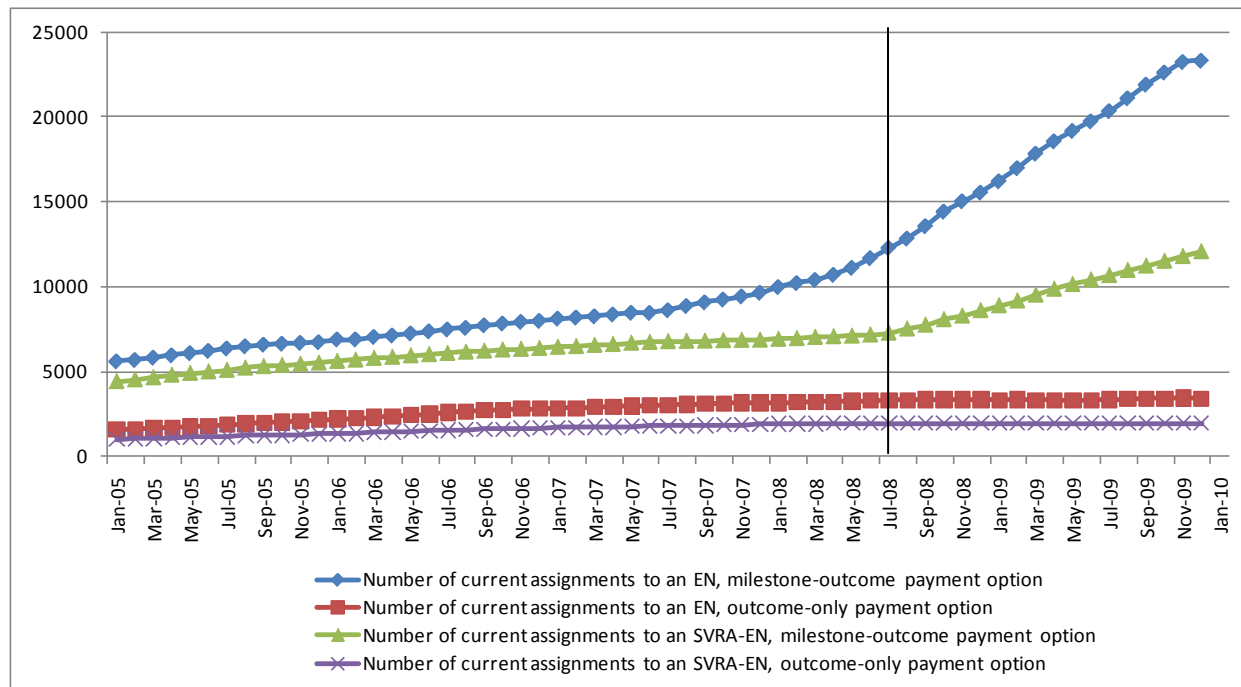
The substantial increase in new Ticket assignments under the milestone-outcome options led to a sharp increase in the total number of Tickets currently assigned under that payment option after implementation of the revised regulations (Exhibit III.3). In June 2008, 18,866 Tickets were in assignment under the milestone-outcome option; by December 2009, 35,413 Tickets were in assignment. Over the same period, the number of current outcome-only Ticket assignments increased modestly, at approximately the same pace as it had under the original regulations.

While the number of Ticket-holders receiving services from an EN or an SVRA-EN doubled under the revised regulations, the proportion of eligible Ticket-holders receiving EN or SVRA-EN services remains very small. As of December 2009, 40,780 (14.6 percent) of TTW participants were receiving services under an EN payment option; this figure represents approximately 0.3 percent of all TTW-eligible beneficiaries. (See section A of this chapter for more details on beneficiary participation.)

Note that these data do not measure the number of beneficiaries who receive employment services from ENs. Forty to 50 percent of TTW participants surveyed in 2004–2006 reported that they had not received services during the past year (Livermore et al. 2010). Additionally, under the original regulations, Ticket-holders and providers rarely took Tickets out of assignment. Consequently, many ENs have Ticket assignments for beneficiaries who assigned their Tickets years ago, but the ENs are not currently providing some of these beneficiaries with services. Nonetheless, data on the number of new Ticket assignments show a marked increase in the extent to which ENs

are taking Tickets, and data on the number of current assignments reveal the maximum number of beneficiaries that could be actively participating in TTW.

Exhibit III.3. Number of Current Ticket Assignments by Payment System and Provider Type, January 2005–December 2009



Source: Disability Control File, June 2010

Note: The vertical line indicates the date the revised regulations took effect (July 21, 2008).

C. Targeting the Ticket Mailings

Given the rather low Ticket assignment rates, we conducted an analysis to determine if SSA might be able to better target the automatic Ticket mailings to beneficiaries who would be most likely to use the Ticket. Instead of automatically mailing Tickets to all beneficiaries shortly after they are awarded DI or SSI benefits (the current practice), SSA would only send Tickets to those with characteristics associated with a greater likelihood of Ticket assignment. In targeting the mailings to only a minority of beneficiaries most likely to use their Tickets, SSA will reduce the administrative costs associated with TTW. Given that only a very small percentage of beneficiaries use their Tickets, targeting the Ticket mailings makes sense from an efficiency perspective. Beneficiaries not targeted for the automatic Ticket mailings would still be eligible to participate in TTW¹¹ and be able to obtain a Ticket on request.

To assess which characteristics are most predictive of Ticket assignment among new SSI and DI beneficiaries, we produced descriptive statistics showing Ticket assignment rates by various beneficiary characteristics. We also developed multivariate (logit) models to assess which

¹¹ The physical Ticket is not necessary for eligible beneficiaries to enroll in TTW.

characteristics are significantly predictive of Ticket assignment, after holding other characteristics constant, and to assess the relative effectiveness of using propensity score targeting methods compared with a simpler method based only on age. The analyses also examined the timing of Ticket assignments relative to the Ticket mailing to assess whether the timing of the initial mailing could be optimized.

We used data from the 2009 Ticket Research File (TRF). The sample includes all beneficiaries who were mailed a Ticket during calendar year 2005. We selected 2005 as the year of analysis because it is the first full calendar year after TTW was implemented in all states, and also allowed us to follow the Ticket assignment and work incentive activity of beneficiaries for four full years. We used the full calendar year of Ticket mailings to account for potential seasonality in awards and Ticket assignments.

Full details about the methodology and findings are presented in Appendix C. Here, we present only the outcomes of four of the targeting methods that were explored.

We used the findings of the descriptive and multivariate analyses presented in Appendix C to develop several potential methods to target Ticket mailings to those beneficiaries most likely to use their Tickets. Here, we present one based solely on age, the strongest predictor of Ticket assignment, and three methods based on propensity scores calculated from the following logit models:¹²

- **Full Model:** This model is for the likelihood of 48-month Ticket assignment as a function of a full set of explanatory variables (see Appendix C for the list of variables).
- **Reduced Model:** This model is for the likelihood of 48-month Ticket assignment as a function of a reduced set of explanatory variables that SSA would be most likely to use for purposes of targeting Ticket mailings, that is, characteristics that might be less politically sensitive relative to others for purposes of a Ticket targeting profile. The variables included are: age, regulation basis code, award level, time since disability onset, and time since first adult decision.
- **Benefit Suspense or Termination due to Work (STW) Model:** This model is for the likelihood of 48-month Ticket assignment *and* STW in at least one month as a function of the full set of explanatory variables. The purpose of this model is to assess whether SSA might be able to better target the Ticket mailings to those most likely to both assign a Ticket and leave disability benefits due to work.

For the age group method, we rank ordered beneficiaries by age (youngest to oldest) and then computed the actual assignment rates for the youngest to oldest quintiles between 20 and 50 percent, and for deciles thereafter. For the propensity score methods, we computed a probability of Ticket assignment for each beneficiary based on each of the two logit models, rank ordered beneficiaries based on that probability (highest to lowest), and computed the actual assignment rates for each quintile between 20 and 50 percent and for deciles thereafter. Exhibit III.4 presents the outcomes of the four methods.

¹² The findings for three additional models explored are presented in Appendix C.

Exhibit III.4. Percent of 48-Month Ticket Assignments Captured by Different Targeting Approaches

Rank-Ordered Share of All Potential Mailings	Percent of All Assignments	Percent of STW Assignments
Target Youngest Age Groups*		
20 Percent (Age < 37)	51.9	58.4
25 Percent (Age < 41)	58.6	66.4
30 Percent (Age < 43)	64.7	72.5
35 Percent (Age < 46)	70.2	77.3
40 Percent (Age < 48)	74.8	81.1
45 Percent (Age < 50)	78.9	84.3
50 Percent (Age < 51)	82.8	87.6
60 Percent (Age < 54)	89.0	92.5
70 Percent (Age < 56)	93.1	95.5
80 Percent (Age < 58)	96.6	98.0
90 Percent (Age < 61)	99.0	99.4
100 Percent	100.0	100.0
Propensity Score: Full Model		
20 Percent	57.9	66.9
25 Percent	64.9	73.2
30 Percent	70.8	78.4
35 Percent	75.7	82.7
40 Percent	80.0	85.9
45 Percent	83.6	88.8
50 Percent	86.8	91.1
60 Percent	91.6	94.4
70 Percent	95.1	96.6
80 Percent	97.5	98.4
90 Percent	99.1	99.4
100 Percent	100.0	100.0
Propensity Score: STW Model		
20 Percent	55.2	69.5
25 Percent	62.5	75.8
30 Percent	68.6	80.5
35 Percent	73.9	84.3
40 Percent	78.4	87.7
45 Percent	82.3	90.2
50 Percent	85.7	92.2
60 Percent	91.2	95.5
70 Percent	94.8	97.5
80 Percent	97.4	98.9
90 Percent	99.0	99.6
100 Percent	100.0	100.0
Propensity Score: Reduced Model		
20 Percent	52.8	60.5
25 Percent	59.6	67.7
30 Percent	65.7	73.1
35 Percent	70.9	78.0
40 Percent	75.5	81.8
45 Percent	79.6	85.4
50 Percent	82.9	88.0
60 Percent	89.2	93.0
70 Percent	93.6	95.9
80 Percent	96.3	97.4
90 Percent	97.7	98.3
100 Percent	100.0	100.0

Source: Analysis of 2005 Ticket mailings based on the TRF 2009. Sample size = 1,071,490.

* The quintile and decile age group cutoffs are rounded to the nearest whole year of age.

For each targeting method, we focus on the percentage of Ticket users who would have been mailed a Ticket had SSA only mailed Tickets to those in the two top deciles (that is, the top 20 percent). With the exception of the reduced model, the propensity score methods perform somewhat better than the age group method, but the differences are not great. For example, if SSA had targeted only the youngest 20 percent of new beneficiaries (those under age 37 in our sample) during this period, SSA would have sent Tickets to only 52 percent of those who assigned their Tickets in the 48-month period. The full propensity score model achieves the highest percentage, 58 percent, but the six percentage-point gain seems relatively modest, given the complexity of the propensity score method, as well as the inclusion in that model of predictors that might not be acceptable for equity or other reasons (for example, sex and race). The reduced model performs less well than the full model, and about the same as the age group model. Under that model, SSA would have sent Tickets to 53 percent of those who assigned their Tickets in the next 48 months.

We also show the shares of beneficiaries who both assign their Tickets and experience STW during the 48 months after Ticket mailing under each of the targeting scenarios. All of the models considered are more successful at targeting those most likely to both assign their Tickets and have an STW month than they are at targeting those most likely to assign their Ticket alone. For instance, under the age group model, SSA would have sent Tickets to 58 percent of those who assigned their Tickets and had an STW month, compared with 52 percent of all who assigned their Tickets. As expected, the best model for this purpose is the full propensity score model that focuses on predicting the combination of assignment and STW. Those ranked in the top 20 percent by the STW model include almost 70 percent of those who assigned a Ticket and experienced STW. Of course, the STW model does less well than the other propensity score methods in predicting Ticket assignments alone. Those in the top 20 percent for this model include only 55 percent of those who assigned their Tickets, compared with 58 percent under the full Ticket assignment model.

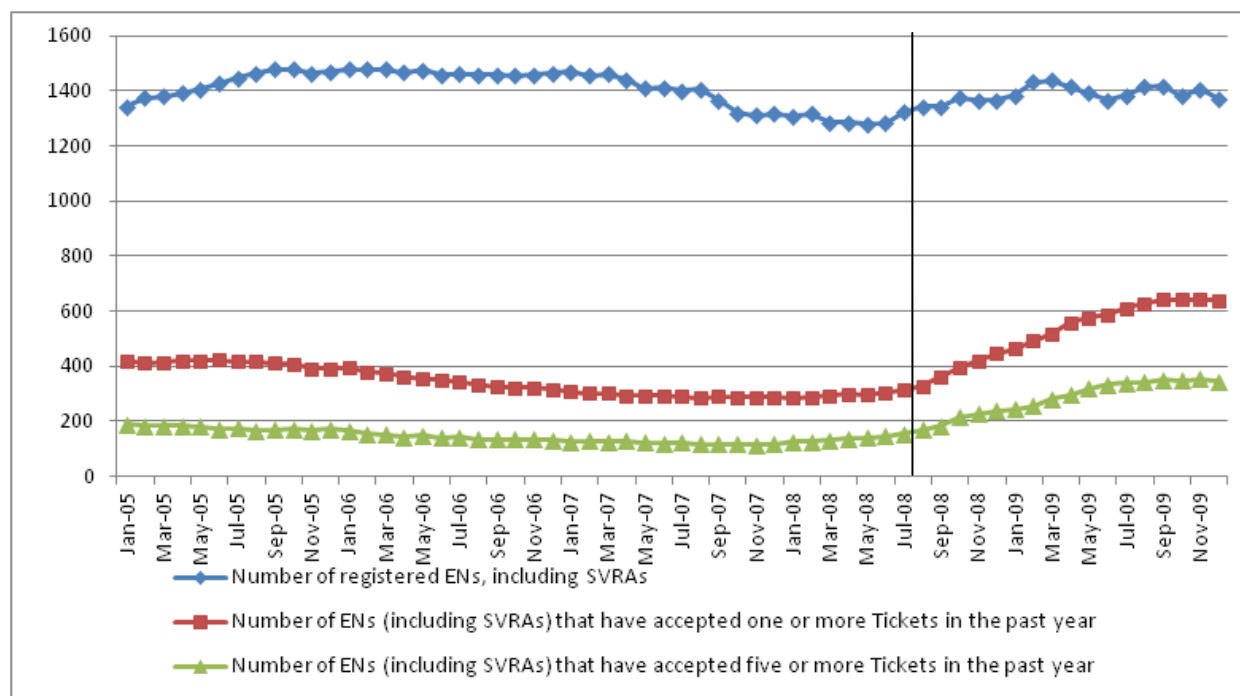
While there is some variation in the ability of the methods to capture Ticket assignments and Ticket assignments with STW with only targeting a subset of beneficiaries, the variation is not great. As noted previously, the simple age group model performs less well than the propensity score methods, but the trade-offs in terms of implementation complexity might outweigh the gains from the more technically demanding propensity score methods. It is possible that we could develop a model that performs better than the full propensity score model for assignments (for example, by considering interactions of age with various other characteristics), but it seems unlikely that any gains in performance will be large.

Although the above discussion focuses on the consequences of sending Tickets to only the top 20 percent of newly eligible beneficiaries under each model, the information in Exhibit III.4 is designed to help SSA consider the trade-off between: 1) incurring the cost of sending Tickets to more than 20 percent of all beneficiaries; and 2) increasing the percentage of likely users that receive Tickets. For instance, based on the results for the 2005 Ticket mailing, if SSA were to send tickets to the 40 percent of new beneficiaries who are under age 48, then about 75 percent of the anticipated users would receive them, including 81 percent of those expected to experience STW. As a second example, if SSA sent tickets to those with the top 40 percent of propensity scores under the full Ticket assignment model, then 80 percent of the anticipated users would receive them, including 86 percent of those expected to experience STW. As a third example, if SSA were to send Tickets to the top 30 percent of propensity scores under the STW model, then about 69 percent of anticipated users would receive them, including 81 percent of those expected to experience STW.

D. Changes in EN Availability and Service Provision

Following the implementation of the revised regulations, the number of ENs increased modestly (Exhibit III.5). As of December 2009, 1,372 organizations were registered ENs. This number is lower than the peak of 1,479 registered ENs in March 2006 but up from 1,278 in May 2008, two months before the revised regulations took effect (July 2008). The number of ENs declined between September 2007 and June 2008, and then began to increase in July 2008. One reason for the observed decline in the number of ENs is that many chose to let their five-year contracts expire and did not renew them; 36 percent of EN terminations between January 2005 and December 2009 were due to non-renewals (see Appendix D). Non-renewals explain much of the dip in the number of ENs between September 2007 and June 2008, and without non-renewals, the number of ENs would have appeared to increase more rapidly after the revised regulations took effect. Additionally, under the revised regulations, SSA terminated the contracts of ENs they determined were uninterested in TTW participation, so these terminations also reduced the total number of registered ENs (see Chapter II and Appendix D).

Exhibit III.5. Number of Registered ENs and ENs Accepting Tickets, January 2005 to December 2009



Source: Disability Control File and Provider File, April 2011.

Note: The vertical line indicates the date the revised regulations took effect (July 21, 2008).

Under the revised regulations, the number of ENs accepting at least one Ticket in the previous year increased. This number increased sharply in the year following the rollout of the revised regulations, increasing from 305 ENs in June 2008 to 639 in December 2009. The same trends apply to the number of ENs that had accepted five or more Tickets in the previous year; this number grew from 147 in June 2008 to 344 in December 2009. The number of SVRA-ENs that accepted at least one Ticket declined slightly from 30 in June 2008, to 20 July 2009, before increasing to 23 in December 2009. The number of SVRA-ENs with five or more Tickets (approximately 18) remained stable.

Although many registered ENs have no ticket assignments or only a few, the proportion of ENs with Ticket assignments has increased. As of December 2009, 35 percent of the 1,340 registered ENs had no Ticket assignments, and 62 percent had fewer than five Ticket assignments (Exhibit III.6). In December 2005, 58 percent of the 1,576 registered ENs had no Ticket assignments, and 74 percent had fewer than five Ticket assignments (Stapleton et al. 2008).

Exhibit III.6. Distribution of ENs by Number of Current Ticket Assignments, December 2009

	Number of ENs/SVRAs-ENs	Percent of ENs/SVRA-ENs
ENs		
No Tickets	475	35.4
1-4 Tickets	359	26.8
5-9 Tickets	155	11.6
10-29 Tickets	214	16.0
30-49 Tickets	56	4.2
50-99 Tickets	41	3.1
100-149 Tickets	16	1.2
150-199 Tickets	6	0.4
200+ Tickets	18	1.3
Total ENs	1,340	100.0
SVRA-ENs		
No Tickets	24	34.8
1-4 Tickets	12	17.4
5-9 Tickets	2	2.9
10-29 Tickets	8	11.6
30-49 Tickets	2	2.9
50-99 Tickets	3	4.3
100-149 Tickets	2	2.9
150-199 Tickets	3	4.3
200+ Tickets	13	18.8
Total SVRA-ENs	69	100.0

Source: Disability Control File, June 2010.

Analysis of Ticket assignments between July 1, 2007, and December 31, 2009, indicated that most of the organizations that became ENs under the original regulations accepted the same volume of Ticket assignments before and after the regulations changed. Two-thirds (67 percent) of these ENs accepted exactly the same number of new Ticket assignments in the second half of 2009 as in the second half of 2007, 20 percent accepted more Tickets, and 13 percent accepted fewer Tickets (Exhibit III.7). Only 12 percent of ENs experienced a change in the number of new Ticket assignments equal to six or more. Most of these ENs took more Tickets in 2009 than in 2007; 75 ENs increased their Ticket-taking by six or more Tickets, and 28 ENs decreased their Ticket-taking by six or more Tickets. These numbers include all ENs that had contracts during both periods.

Overall, organizations that became ENs under the original regulations accepted slightly more new Tickets in the second half of 2009 than in the second half of 2007; the mean change was 2.9 additional Tickets. We do not know how these ENs' Ticket-taking would have changed if the original regulations had remained in place, but the revised regulations do not appear to have

substantially increased the extent to which most existing ENs accepted Tickets after the revised regulations were adopted.

Exhibit III.7. Change in Number of New Ticket Assignments Between July–December 2007 and July–December 2009 Among Existing ENs

Change in Number of New Ticket Assignments	Number of Existing ENs	Percent of Existing ENs
Decline of 51 or more	2	0.2
-31 to -50	2	0.2
-11 to -30	13	1.5
-6 to -10	11	1.5
-1 to -5	88	9.9
0	592	66.8
1 to 5	103	11.6
6 to 10	24	2.7
11 to 30	30	3.4
31 to 50	7	0.8
Growth of 51 or more	14	1.6
Number	886	
Mean Change	2.9	
Median Change	0	
SD	25.7	

Source: Disability Control File, June 2010 (2009 data), Ticket Research File (2007 data).

Note: Existing ENs include those ENs and SVRA-ENs that had a contract in place between July 1, 2007, and December 31, 2007, and from July 1, 2009, to December 31, 2009.

To learn why some ENs began accepting more Tickets after the regulations changed, we conducted interviews with representatives from seven of these ENs.¹³ Five interviewees stated they began accepting more Tickets because the new milestone-outcome option made the program appear more lucrative, particularly for serving clients who only work part-time. Four reported that because of the new milestone-outcome payment structure they began serving beneficiaries they would not have served under the original regulations; one stated that the EN started accepting the Ticket assignments of beneficiaries they would have served using other funding sources. Three EN representatives reported that more beneficiaries have approached them under the new regulations, and attribute all or part of this increase to increased outreach by SSA and its contractors. Additionally, three EN representatives cited internal reasons for accepting more Tickets, such as staff changes, or having completed a pilot of the program and decided to open TTW to all of their eligible clients.

We also spoke with a representative of one SVRA that accepts most of its Tickets through EN payment systems. Under the original regulations, the SVRA hired a contractor to determine the financial implications of accepting Tickets as an EN and decided to accept Tickets for DI beneficiaries under the outcome-only system, and under cost reimbursement for SSI and dual beneficiaries. In preparation for the revised regulations, the SVRA conducted a similar analysis and

¹³ See Appendix A for details of the sampling strategy. We selected 4 ENs because they accepted considerably more Tickets after the revised regulations took effect, and 3 of the 10 ENs we selected for other reasons also fit our definition of high-growth ENs.

decided to take all Tickets under the milestone-outcome system, only using the in-use status and cost reimbursement option when a client does not want to assign his or her Ticket.

Only a small number of SVRAs accept large numbers of Tickets under an EN payment option. In order to see whether the extent to which SVRAs accepted Tickets as an EN changed under the revised regulations, we compared the number of Tickets SVRAs accepted between January 2007 and June 2008 with the number they accepted between July 2008 and December 2009 (Exhibit III.8). In the “before” period, 25 SVRAs accepted Tickets under the milestone-outcome payment system, but most accepted a small number. Since the introduction of the revised regulations, a slightly smaller number of SVRAs have accepted Tickets under the milestone-outcome payment option, but those accepting Tickets under this option generally have accepted more tickets. Only 11 SVRAs have accepted more than 100 Tickets; only three have accepted more than 500. One SVRA has accepted 1,272 Tickets, and another 908, while in the pre-revision period, the most Tickets accepted under the milestone-outcome option by an SVRA was 250. A small number of SVRA-ENs used the outcome-only system to some extent in the “before” period. However, all were on a fairly small scale, and SVRA-EN use of this payment system has declined under the revised regulations. It appears that SVRA-EN interest in the outcome-only option has waned under the revised regulations, but a small number are using milestone-outcome for a significant number of their Ticket-eligible clients.

Exhibit III.8. Tickets Assigned to SVRA-ENs Before and After the Revised Regulations Under the Milestone-Outcome and Outcome-Only Payment Systems

	Milestone- Outcome Before	Milestone- Outcome After	Outcome-Only Before	Outcome-Only After
Total SVRAs	25	23	11	5
Number of Tickets				
1-10	13	9	6	3
11-50	5	3	2	2
51-100	4	0	2	0
100-200	2	5	1	0
200-500	1	3	0	0
501 +	0	3	0	0
Total Tickets	1,054	5,000	344	84
Maximum Tickets	250	1,272	141	48
Median Tickets	10	47	7	8

Source: Disability Control File, February 2010.

Note: In this exhibit “before” refers to January 1, 2007–June 30, 2008, and “after” to July 1, 2008–December 31, 2009.

Although the revised regulations appear to have generated a renewed interest in TTW among some ENs, others we interviewed still do not perceive the program as financially viable, stating that TTW still does not provide enough funding for up-front services and does not adequately reward part-time work. Most of the ENs that were concerned with the amount or structure of payments tended to work with clients who they expected to work at levels below SGA. These ENs were especially concerned that the February 2009 changes in eligibility for Milestone 1 payments (clarifying that ENs can receive payments only if beneficiaries are placed in jobs at the TWP level) would make it more difficult for ENs to qualify for payments based on low levels of work.

E. Effect of the Economy on EN Participation in TTW

The new TTW regulations coincided with a significant economic downturn, which likely affected the trends in Ticket assignments and EN participation surrounding the rollout of the new regulations. Some of the EN staff interviewed said the economic situation positively affected their participation in TTW; others said it negatively affected participation. While high unemployment and state budget cuts made it more difficult for many clients to find employment and for some providers to fund their services, other providers reported that TTW became particularly attractive when other sources of funding were reduced.

Six of the EN representatives interviewed reported increased difficulty placing clients in employment. The employment rate for persons with a disability fell from 20 percent in January 2009 to 18.5 percent in January 2010, and research has shown DI beneficiary employment to be sensitive to the business cycle (Bureau of Labor Statistics 2010; Stapleton et al. 2010).¹⁴ Of the three interviewees who stated they did not face increased barriers to job placements for their clients, one reported that the job market was already so poor that the downturn had not been significant. Another interviewee serves clients who, in general, are already working or have strong job leads when they assign their Tickets. Three interviewees also reported that beneficiaries had been more hesitant to pursue work or to work enough to stop receiving benefits, perhaps out of concern that finding work would be especially challenging, or that they might be laid off or left without health insurance. Decreased client interest in the program and lower effectiveness at placing clients in employment mean that ENs have had a harder time qualifying for payments than they might normally.

Placement issues may have affected the participation trends we reported in Sections A and B. ENs have lost other sources of up-front funding and so may have been forced to shut down, accept fewer Tickets, or curtail the services they provide. Seven of the EN representatives we interviewed said they had not cut their operations significantly due to the economy, but two noted that they had reduced staff, and one mentioned they had focused on finding clients jobs as quickly as possible rather than also providing other services in response to funding cutbacks. None of the EN representatives we interviewed indicated that they had restricted their Ticket-taking behavior in response to the economy, but two said that they might need to in the future. We oversampled ENs that had accepted a large number of Tickets in general or an increased number since the revised regulations, so it is likely that these adjustments were more common in the EN population as a whole than among our interview subjects.

Other EN representatives said their organizations had looked to TTW to provide funding when other sources were restricted. Two ENs had previously served as vendors to SVRAs, but became ENs when the SVRA began to provide more services in-house in an effort to maintain staff while cutting costs. We also talked to three EN representatives who said they responded to the difficult job market by tapping relationships they have built with businesses, by establishing or expanding in-

¹⁴ The Bureau of Labor Statistics considers someone to have a disability if they have at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing, even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone, such as visiting a doctor's office or shopping, because of a physical, mental, or emotional condition.

house employment opportunities, or by counseling more beneficiaries into education and self-employment.

F. EN Experiences with the Ticket Assignment Process

In order to assign a Ticket, a beneficiary must complete a form declaring their desire to assign their Ticket, and detailing their long-term goals for earnings and employment (the IWP). If the Ticket is assigned under the milestone-outcome system, they are also asked to provide information on their recent work history (referred to as the look back). The EN faxes this form to the OSM, which verifies that the information is complete and that the beneficiary holds a Ticket that is not already assigned. The OSM verifies that the Ticket is eligible for assignment, records the Ticket assignment, and notifies the EN of the assignment. SSA then notifies the beneficiary of the Ticket assignment.

Most EN staff we interviewed reported that, aside from the addition of the earnings look back, the Ticket assignment process has not changed appreciably under the new regulations. One reported that the assignment process has become easier, but only because EN staff have become more experienced; others did not see any improvement in the Ticket assignment process. Three reported delays and frustrations with the process and one has given up on potential assignments that proved particularly difficult. In general, the Ticket assignment process is challenging for ENs at first, but becomes easier as staff become familiar with the process.

Three EN interviewees complained that completing the look back was a challenge because beneficiaries did not have a good record of their past earnings. Three felt that the look back was a waste of time because the data they obtain through the look back is not necessarily correct, or that SSA would be able to do it better or more easily. One EN representative mentioned that requesting detailed earnings data to report to SSA interferes with staff relationships with clients, and that asking clients who had simply walked in the door looking for a job to predict their earnings far in the future, as required in the IWP, is also potentially detrimental. We do not know if this is a common concern or one unique to the EN representative. In response to feedback about the look back, SSA has issued guidance that Tickets will be accepted with as few as six months of earnings history, or SSA will accept acknowledgement that the EN was unable to obtain the work history. (See Chapter II for details.)

Some EN representatives also reported frustrations with other elements of the assignment process. ENs complained that they do not always receive notification that a Ticket has been assigned to them. Two mentioned that assignments had been considered incomplete for reasons they consider trivial, such as missing pages of boilerplate language or being signed by EN staff in the wrong location. OESP officials will now accept all Ticket assignments where the Ticket is available and enough information is provided on the form. Small errors will be corrected after the fact so as not to deny the beneficiary services and CDR protection. The OSM reports that assignment requests are turned around within three business days, and fewer assignment requests are denied. Thirty-two percent of assignment requests were denied in February 2010, compared with 69 percent a year earlier. The OSM has changed the forms used to assign Tickets several times in the past few years and two EN representatives complained that this made it difficult to set up a system for completing them.

The EN staff we interviewed reported mixed experiences with their OSM representatives. Some stated that representatives respond quickly to inquiries and seem able to solve problems. Three

praised their representative, and one stated that while they had had negative experiences with a previous representative, their current one was very helpful. Seven EN interviewees complained that their representative was unresponsive or responded slowly, changed frequently, or was unable to answer their questions. Two ENs reported looking to SSA staff, with whom they had prior working relationships, to solve problems and find answers. ENs that reported good relationships with their representatives seem to report less confusion and frustration with the payment system and the program in general, although these ENs may not be paid any faster than others. The OSM has reworked and expanded their system of representatives, as described in Chapter II, and believes the problems have been addressed.

G. EN Experiences with the Payment Process

When an EN believes one of its clients has earned enough to trigger a payment, staff submit a payment request to the OSM. If the EN is able to obtain primary earnings documentation—pay stubs or another pay record furnished by an employer or third party—staff can submit the documentation to the OSM and request a payment. If ENs are unable to obtain primary documentation of their clients' earnings, they may use the Certification Payment Request (CPR) option. This allows ENs to be paid when primary evidence is not available, but requires them to agree to repay any funds for which they are later determined to be ineligible. Under the CPR the EN submits an Earnings Inquiry Request (EIR) to the OSM. If the beneficiary's earnings have been reported to SSA and appear in their data, the OSM shares this information with the EN, which can use it as proof of eligible earnings for a certification request. However, these records have a lag of about eight months, and do not include all workers. The EN can also submit the client's report of self-employment income, or use a recent conversation with the client or their employer as secondary proof of earnings. For milestone payments, the OSM checks these requests against SSA records, and a payment is issued if those earnings are recorded at the time the request is processed or within 90 days. If after 90 days the earnings are still not recorded, the EN is given 30 days to provide primary evidence. Outcome payments made using CPR do not require verification of SSA earnings records prior to payment.

An EN may also request that a Ticket be put on what is termed "auto-pay" after the twelfth outcome payment, in which case remaining payments are made automatically as long as the beneficiary is receiving \$0 cash benefits. SSA is currently conducting a trial of Auto Pay 2, which will allow ENs to receive automatic payments starting with the second outcome payment. These payments will be made after a three-month lag, so that SSA earnings data are more likely to be complete. As of May 2010, 55-60 percent of payments were made using the certification system, and 280 were made using auto-pay.¹⁵

Although SSA and the OSM have instituted significant improvements to the payment process, many EN staff we interviewed reported that the payment process is their greatest frustration with TTW. We were repeatedly told by EN officials that the best thing SSA could do to increase provider involvement in TTW would be to "make it easier to get paid." They find it challenging to assemble the required documentation, such as pay stubs, and to obtain information from the OSM about the

¹⁵ The OSM reported that a total of 18,166 milestone and/or outcome payments were made to ENs in the period from October 2009 to May 2010, an average of 2,271 per month.

status of payments. Some EN staff report frustrations with the amount of time it takes for SSA and the OSM to process payments.

As has been found in past interviews with EN representatives conducted for previous reports (Livermore et al. 2003; Thornton et al. 2006, 2007), many continue to have difficulty obtaining earnings documentation from their clients, who often lose touch with an EN once they are stabilized in work. Four of the EN officials we interviewed reported this as a problem, and only one stated that they do not have any difficulty because they are the employer and so are able to furnish primary evidence themselves. Beneficiaries are sometimes reluctant to share information with their ENs, perhaps because of concerns that the information will ultimately make its way to SSA. Others are unable to provide primary earnings documentation because they have lost their pay stubs, their employer's pay documentation does not meet SSA's requirements (for example, missing start and end dates for the pay period), or because they are self employed. Also, while CPR allows ENs to draw on information SSA has on beneficiaries' earnings, ENs are still unable to receive payments if clients are paid but wages are not reported to the Internal Revenue Service. While almost all the EN officials we spoke to use CPR when necessary, two explicitly stated they prefer to use primary documentation even when it requires extra effort, and several others seemed generally wary of or disinterested in CPR. These ENs were particularly afraid of receiving an overpayment. Two also seemed to misunderstand the rules governing CPR or believed it to be confusing and difficult.

Many EN staff complained that they received payment well after submitting a payment request. Eight EN representatives reported this as a problem, while two others reported that payments are usually timely, but sometimes significantly delayed. Payment timeliness is also a recurring issue that has been raised in the past by ENs. The EN representatives interviewed for this report indicated that wait times for payment processing were anywhere from slightly under one month to six months, with most around four to six weeks. Some payment claims have particularly long waits because documentation is sent back due to errors or omissions. ENs that rely on the EIR for earnings verification must wait about eight months for the earnings information to appear in SSA records. Thus, the time between service delivery and payment can be especially long in those cases. One EN official noted that self-employment earnings must be entered and verified by staff in SSA field offices, which can add significant processing time. Two of the EN officials interviewed were satisfied with the speed at which they were paid. They tended to receive payments for either a very small or a relatively large number of clients, and seemed to understand the TTW program well. SSA stated that they have substantially reduced payment processing time by giving OSM staff the authority to issue a higher proportion of payments themselves, rather than sending the requests to SSA for payment. SSA reported that the OSM now issues about 90 percent of payments, up from 15 to 20 percent two to three years ago. OSM staff develop a disposition on each payment request—a decision of whether to pay, deny, or request more information—within 30 days of receiving a payment request. Delays usually occur in cases where the OSM needs to wait for personnel in SSA field offices to manually enter earnings information. In cases where more information is needed, SSA waits 90 days for their own records to provide it, and then if necessary, gives the EN 30 days to find and report the additional information.

Once the payment request is submitted, several ENs complained that they did not receive needed information from the OSM. Until recently, ENs received separate responses to each payment request submitted. Now, they are sent a spreadsheet once a month with information on all pending and processed payments. Staff of three ENs believed that the new format includes too much information organized in a way they do not find useful, making it a major undertaking to determine which payments were denied, which are pending, and why the particular decisions were

made. In addition, one EN reported that they were not always told when a payment is made to their organization, although a notification should be sent for every payment processed. Two other ENs reported that the notifications they receive when payments are made are excessively confusing. According to OESP staff, SSA sends a letter each time it issues a payment, listing the payments made on that date.

A substantial number of ENs has not received a high proportion of the payments to which they may be eligible (Stapleton et al. 2010). We presented three of these ENs with a list of participants for whom they had not received payments or had received only some of the payments for which they were likely eligible. We asked the ENs to research why they had not received payments for these individuals. Although these ENs do not constitute a representative sample, we were able to obtain some insight as to why ENs did not receive payments. EN representatives said that, in most cases, payment requests were not submitted because the beneficiary failed to notify the EN that they had gone to work, or failed to submit the appropriate documentation. One EN representative said that beneficiaries might submit earnings documentation to the EN for only three to four months after returning to work. Another EN said that participants do not submit documentation because they forget that their Ticket is assigned to the EN.

The EN representatives said they used various methods and resources to obtain earnings verification for beneficiaries they suspect are working. One EN used Unemployment Insurance (UI) wage data to determine who might be working. This EN only contacted the beneficiary if he or she was self-employed and therefore would not appear in the UI wage data. Another EN representative said he used the payment status report from the OSM to search for gaps in payments for particular participants. The third EN official said her EN relied exclusively on the participants to submit their earnings documentation, and did not follow up with participants if they failed to do so. However, the EN representative said they were planning to use The Work Number®, a company that verifies individuals' employment status.¹⁶

The EN representatives reported other difficulties that affected their ability to receive payments. Two of the ENs said it was very difficult to receive payment for self-employed participants. In fact, one of the ENs said they have stopped accepting Tickets from people who are, or plan to be, self-employed. Two EN officials said they were also frustrated by the lack of advanced warning about new documentation requirements to receive payments. For example, they said the OSM rejected several payment requests because they did not list FICA information on the pay stub, but they were told about the new requirement after they had already submitted the payment requests.

The EN officials suggested several changes that would make it easier for them to receive payments to which they were entitled. They wanted SSA to make it easier to receive payments for self-employed beneficiaries and more advanced warning about changes to documentation requirements. To help ENs submit payment requests for participants with whom they had lost contact, one EN suggested that SSA use the National Directory of New Hires (NDNH). This database, housed at the Department of Health and Human Services, contains names, SSNs, dates of hire, employer names, and other information on new hires in the country (HHS 2010). The EN

¹⁶ See <http://www.theworknumber.com/SocialServices/>.

suggested that SSA link this data with Ticket participant records, and then send the EN a list of their participants and employers appearing in the NDNH file. While the OSM currently accepts information from the NDNH as evidence of earnings, many ENs do not have access to the database, and those that do may not know that the beneficiary has earnings listed there. However, the need to keep in touch with clients to obtain earnings verification would make EN staff more available to beneficiaries after they begin to work. If this allows more beneficiaries to receive the services they need to remain employed removing the need to provide earnings documentation could potentially run counter to the program's aim.

As with the assignment process, some ENs noted that they are getting better at requesting and receiving payments as they become more experienced with the system. However, others have found the new OSM payment data report format makes their jobs more confusing and time consuming. Most ENs responded that the payment process was not significantly more difficult or easier to use than the previous system.

H. Summary of Findings

Despite the challenges posed by the recent recession, the revised regulations appear to have been successful in making the milestone-outcome payment system more attractive to ENs. While the number of participating ENs has not reached its 2005 peak, it has increased, and the number of ENs that have accepted Tickets in the past year has increased dramatically. Although most ENs that were in place before the revised regulations are accepting about as many Tickets as they did under the original regulations, the number of new Ticket assignments, particularly under the milestone-outcome payment system, has increased. It also appears that there might be ways for SSA to successfully target the initial Ticket mailings, and perhaps follow-up marketing efforts, to only those beneficiaries who are most likely to use their Tickets.

EN representatives said they sometimes find the Ticket assignment process to be challenging, but are generally able to assign Tickets without encountering major problems or delays. Receiving payment continues to represent a larger challenge, and many ENs report frustrations with the paperwork required to request a payment and/or the amount of time between when they submit a payment request and when they receive payments. In previous reports, we found that administrative problems with the Ticket assignment and payments systems discouraged providers from accepting Ticket assignments. Despite SSA's efforts to streamline the payment system, ongoing administrative issues continue to hamper some ENs' participation.

In this chapter, we described SVRAs' participation in TTW under EN payment options. Chapter IV focuses on SVRAs' participation under the traditional payment option.

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IV. SVRA PARTICIPATION IN TTW UNDER THE REVISED REGULATIONS

The revised regulations had two major effects on SVRAs operating under the traditional reimbursement system: they allowed SVRAs to place Tickets in use, rather than completing the Ticket assignment process, and they allowed both SVRAs and ENs to receive payments from SSA for providing sequential services to Ticket holders under Partnership Plus. In this chapter, we discuss SVRA experiences with the new in-use status option and the associated data transfer procedure, trends in the number of Ticket holders SVRAs served under the traditional payment option, and the effect of the economic downturn on SVRAs. We describe SVRA and EN experiences with Partnership Plus in Chapter V.

Our data indicate that SVRAs are serving a higher proportion of Ticket holders under an EN payment option, but that SVRAs continue to serve the overwhelming majority of clients under the traditional payment option. The number of new Ticket assignments under the traditional payment option decreased in 2009; this decline appears to be partially due to economic issues and partially due to issues with the new data transfer system that allows SVRAs to place Tickets in use. We detail ongoing challenges with the data transfer process that the OSM and SVRAs report, and the OSM's efforts to improve this procedure. We discuss the process for placing Tickets in use in Section C.

A. Trends in the Number of Ticket Holders Served by SVRAs

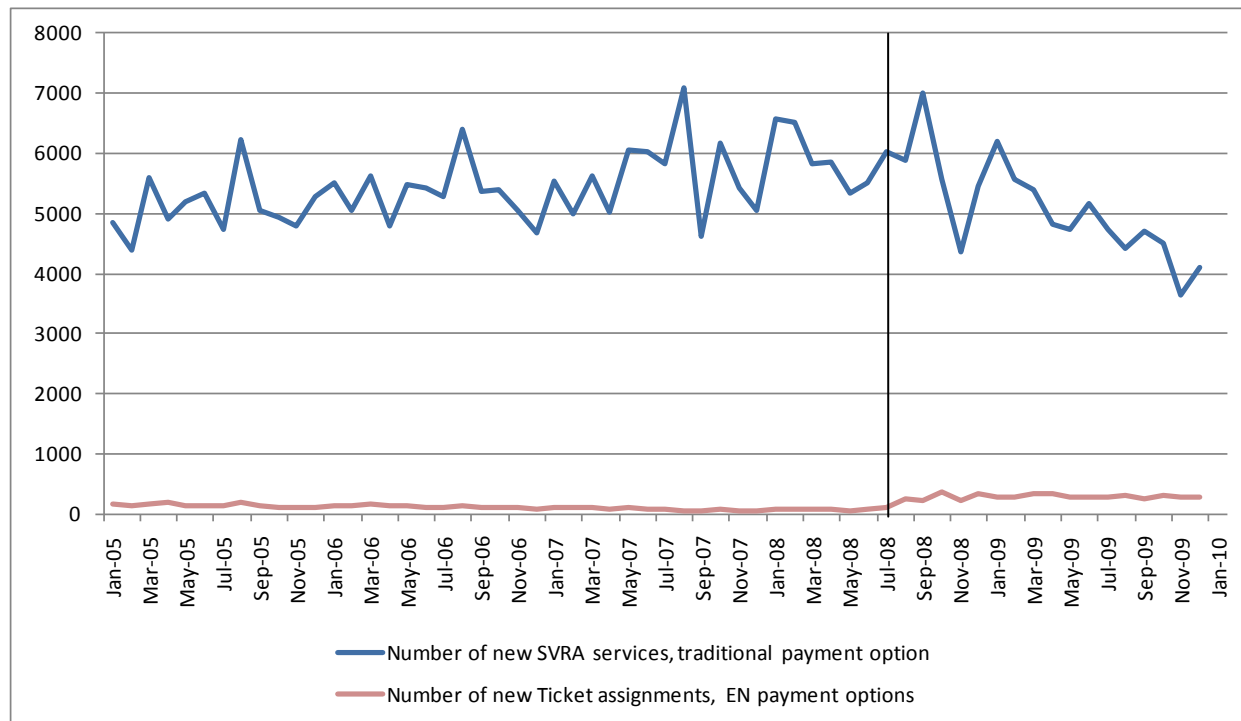
Since the implementation of TTW, the overwhelming majority of TTW participants have been assigned to SVRAs under the traditional payment option, and this has continued to be the case under the revised regulations. However, under the revised regulations SVRA-ENs accepted considerably more Tickets under the milestone-outcome payment option than before, and approximately the same number of Tickets under the outcome-only option. In January 2009, of the 6,475 new Ticket holders SVRAs reported they served, a total of 4 percent of these new clients were served under an EN payment option. In comparison, 1.4 percent of new Ticket holders served by SVRAs were served under EN payment options in June 2008, the month before the implementation of the revised regulations (Exhibit IV.1).¹⁷

The data on SVRA Ticket assignments likely do not include all Ticket holders who enrolled in SVRA services. Under the original TTW regulations, SVRAs often did not complete Ticket assignment paperwork for all of the beneficiaries they served under the traditional reimbursement option. SVRAs were particularly unlikely to submit Ticket assignment paperwork for Ticket holders whom they did not expect to work enough to qualify the SVRA for SSA cost reimbursement (Thornton et al. 2007). The in-use data transfer system, which we describe in Section C, has the potential to allow SSA to capture more comprehensive data on all Ticket holders who are or have been enrolled with SVRAs since implementation of TTW. However, to date, few SVRAs have submitted complete data on the Ticket holders they have served or are serving. In addition, SVRAs and the OSM report that there is a lag between when the SVRA begins serving a Ticket holder and when the OSM places the Ticket in use. (See Section C for more details.) Consequently, the data

¹⁷ See Exhibit III.2 for a more detailed diagram of new SVRA Ticket assignments under the EN payment options.

presented in Exhibit IV.1 do not capture all Ticket holders who SVRAs serve, particularly those served in recent months.

Exhibit IV.1. Number of New SVRA Ticket Assignments by Month and Payment System, January 2005–December 2009



Source: Disability Control File, June 2010.

Note: The vertical line indicates the date the revised regulations took effect (July 21, 2008).

Because the OSM has placed Tickets retroactively in use from earlier years, we would not expect to see a large change in the number of Tickets placed in use by SVRAs as a result of the introduction of the in-use Ticket status and the data transfer process. However, if the ease of assigning Tickets and the potential of Partnership Plus encouraged SVRAs to recruit more beneficiaries who were not already receiving SVRA services, or if beneficiaries responded to other marketing efforts that surrounded the revisions, there could have been some growth in the number of beneficiaries served.

According to DCF data, the number of Tickets that SVRAs placed in use dropped in 2009. Our data indicate that after the revised regulations took effect, the number of Tickets SVRAs placed in use for Ticket holders who had not previously assigned their Tickets peaked at 6,979 Tickets in September 2008. This number dropped to 4,339 first-time assignments in November 2008 and increased to 6,191 new assignments in January 2009. It dropped fairly steadily throughout 2009, reaching 4,100 new clients in December 2009 (Exhibit IV.1).

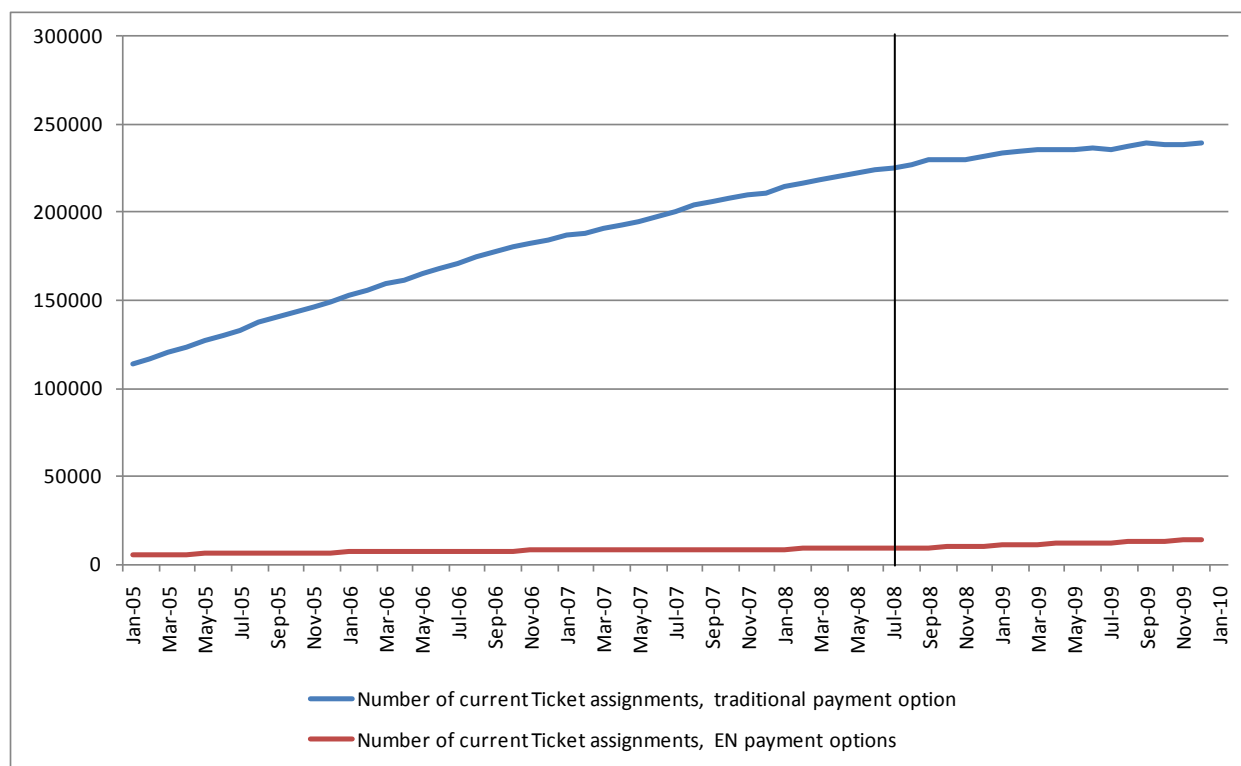
While we cannot determine what caused the 2009 decline in the number of new SVRA clients, this decline may be partially, or even completely due to data quality issues. Historical SVRA data suggest that while the number of new SVRA clients per month fluctuates, between 2005 and 2008

the number of new Ticket assignments did not drop steadily for many months, as it did in 2009. As we explain in Section C, many SVRAs submit lagged or incomplete data, and some SVRAs have submitted little or no data since the in use data transfer process began. SVRAs reported frustrations with the process of putting Tickets in use, and they may have been less invested in completing the process to place Tickets in use if, in light of the recent recession, they did not expect their clients to earn enough to allow their agency to qualify for payments.

Another possibility is that SVRAs are serving fewer new Ticket holders. As we discuss in Section B of this chapter, the recent recession may have caused SVRAs to accept fewer new Tickets due to budget constraints. Additionally, beneficiaries may be less interested in returning to work at a time when finding and keeping a job is more challenging. The SVRAs interviewed did not report any drop in requests for services, but some of the ENs we spoke with noted that their clients seemed less interested in working enough to leave benefits than had been the case prior to the recession.

The total number of Tickets currently in assignment to SVRAs grew from January 2005 to September 2008, and grew more slowly between October 2008 and December 2009 (Exhibit IV.2). The decline in first-time Ticket assignments in 2009 contributed to this trend.¹⁸

Exhibit IV.2. Number of Current SVRA Ticket Assignments by Month and Payment System, January 2005–December 2009



Source: Disability Control File, June 2010.

Note: The vertical line indicates the date the revised regulations took effect (July 21, 2008).

¹⁸ See Exhibit III.3 for a more detailed diagram of current Ticket assignments under the EN payment options.

B. Effect of the Economy on SVRA Participation in TTW

Many SVRAs lost state funding due to the recent economic downturn. SVRAs receive the bulk of their funding from the Rehabilitation Services Administration (RSA) of the U.S. Department of Education. States are required to provide matching funds, so some SVRAs experienced a funding reduction when state budgets were cut. Although TTW provides SVRAs with the opportunity to earn supplemental funding, cuts in SVRA funding may have caused some Ticket holders to be placed on waiting lists instead of receiving services.¹⁹ Others may have received fewer services because some SVRAs reduced their staff and/or vendor services.

Some SVRAs were able to serve additional clients and restore services because of stimulus funding. Under the American Recovery and Reinvestment Act, SVRAs received additional funds disbursed according to the Department of Education's standard SVRA funding formula, which adjusts for states' populations and per capita incomes. Half of this funding became available to SVRAs in April 2009, and the remaining funds were released over the following five months (U.S. Department of Education 2010).

While TTW is a potential source of additional revenue, the economic downturn may have made it more difficult for SVRAs to qualify for Ticket payments. Like other providers, SVRAs only qualify for TTW payments if the beneficiaries they serve achieve specific employment outcomes. The three SVRA officials with whom we discussed economic issues reported that placing beneficiaries in employment has become more difficult since the recession, and as a result they have qualified for fewer payments from SSA. SSA funds represent only a small portion of SVRAs' budgets, and none of the SVRA representatives we interviewed reported that a drop in SSA funding had changed their service provision. Indeed, one SVRA official reported that ongoing SSA funding helped them continue to serve clients, including SSA beneficiaries, despite state budget cuts. As we explained in Section A, we expect that the recession is part of the reason why the number of Tickets placed in use declined over 2009.

C. Introduction of the In-Use Status

Concurrent with implementation of the revised regulations, OESP and the OSM developed a data transfer system to complement the new Ticket in-use status option that the revised regulations made available to SVRAs. This system allows SVRAs to place the Tickets of those they serve under the traditional payment option in use without submitting information individually for each person they serve. The in-use designation is intended to maintain the beneficiary's CDR waiver and to document that the beneficiary is being served by an SVRA. This in-use status indicates that the Ticket is not assignable to another provider.

¹⁹ SVRAs with resource constraints invoke orders of selection to prioritize serving clients with the most significant disabilities. According to RSA, 36 of 80 SVRAs were on orders of selection in October 2007. The same number of SVRAs were operating under orders of selection in October 2008, and as of May 2009 RSA had approved four additional orders of selection during the 2008 -2009 fiscal year. However, RSA does not track whether SVRAs opened or closed serving priority categories within fiscal years. According to SVRA officials, SSI and DI beneficiaries are less likely to be affected by orders of selection because they are usually classified as the most significantly disabled among SVRA clients (Thornton et al. 2007).

To record in-use Ticket status, each SVRA is asked to submit an Excel file of the clients they are serving to the OSM on a monthly basis, through which they notify the OSM of new cases and case closures. This file contains four data elements: the beneficiary's name, social security number, date the beneficiary and Vocational Rehabilitation (VR) counselor signed an Individual Plan for Employment (IPE), and, if the case has been closed, whether the beneficiary was employed upon case closure. The client SSNs are checked against the DCF, and for those who are Ticket-eligible and not already assigned to an SVRA or EN, the Ticket is placed in use with the SVRA under the traditional payment system. The OSM takes the Ticket out of use if the SVRA indicates, through the data transfer process, that the case has been closed.

The OSM is also using the data transfer system to update SSA records from past years. States have submitted the information they have retained, and in cases where a beneficiary received services from an SVRA and had a Ticket that was not assigned, the Ticket has been placed in use retroactively. Some states had records dating to the 1990s and before, but others only keep their data for a few years, and some did not submit historical data. So, while data has been updated, it is still not complete through the beginning of the TTW program. At the time of this report, the OSM is no longer placing Tickets retroactively in use unless the beneficiary's case is currently open with the SVRA. If the case is open, they use either the IPE date or the date 90 days before they received data, whichever is more recent, as the date on which the Ticket became in use.

The OSM and some SVRAs reported challenges with the rollout of the new data transfer system. The OSM encouraged SVRAs to submit data transfer files under a pilot program in mid-2008, and expanded the program approximately six months later. In the interim, some SVRAs that were not participating in the pilot continued to complete Ticket assignment paperwork for the clients they were serving under the traditional reimbursement option, as was required under the original regulations. Two of the five SVRA representatives we interviewed reported frustrations with the rollout of the new data transfer system. One SVRA representative noted that they had expected the data transfer system to be up and running in July 2008, to allow them to take full advantage of the new payment system. We did not hear that specific complaint from other SVRA representatives, and cannot tell whether it was a common concern. The OSM stated that initially processing some SVRA files took several months. SVRAs' data systems vary, and not all SVRAs were able to produce extracts in the format that the OSM preferred.

The OSM is working to refine the process of updating SVRAs on the disposition of in-use status requests. Currently, the OSM sends most SVRA eight files, each indicating a disposition of the SSNs submitted, including which Tickets were placed in use with the SVRA, Tickets were not placed in use because they were already in assignment, records are missing an IPE date, have an IPE date earlier than the date their Ticket was mailed, and SSNs do not match SSA records. The OSM is currently conducting a pilot program in which they return a single master file to SVRAs that notes its disposition with respect to the in-use request for each SSN submitted.

Many small SVRAs have still not participated in the electronic data transfer system. SSA and the OSM report that of the approximately 70 SVRAs participating in TTW, 9 have never submitted electronic transfer files, and that all but one is a small agency (such as agencies that serve blind or visually impaired individuals only). Agencies that do not submit electronic files continue to submit paper notifications. The OSM staff reports that staff time spent processing this paperwork is considerable and detracts from other TTW initiatives.

Other SVRAs have submitted one or more data transfer files but do not consistently send monthly files to the OSM to be processed. In general, these SVRAs do not submit individual Ticket assignment requests between electronic submissions, so during the period between file updates their clients' Tickets are simply not placed in use. The OSM has spoken with some SVRAs that have gone a particularly long time between submissions, and is working to address their complaints about the process. The OSM decided to pilot the single response file in response to the frustrations of two SVRAs that had only submitted files intermittently and complained about the number of response files. The OSM hopes that this will encourage these states to submit files more regularly in the future.

Even when SVRAs submit monthly files to the OSM, there is a time lag before the in-use status is recorded in the DCF. The OSM reported that by April 2009 they returned files regarding the disposition of in-use status requests to SVRAs within approximately two-and-one-half weeks of receiving electronic submissions. However, the OSM processes these files once a month, so SVRAs may face a shorter or longer time lag, depending on when they submit their data. An OSM representative also reported that most files contain information from one to five months earlier, so a file received in February might contain a roughly equal number of cases with IPE dates in each month from October through January. Three SVRA representatives we interviewed reported that it takes several weeks for their staff to prepare the data transfer files, and that the OSM generally updates beneficiaries' status several weeks after receiving these data.

As a consequence of the delays in submitting and recording information, a beneficiary's Ticket may not be placed in use immediately, or may not be available for assignment to an EN until several weeks after the SVRA closes his or her case. One SVRA reported that several Ticket holders have received CDR notices during the period between when the SVRA opened their cases and the OSM officially placed these Tickets in use. The SVRA worked with SSA to cancel these CDRs, and was successful in some, but not all, cases. This time lag associated with posting in-use status also has the potential to disrupt service provision, and to cut into the 90-day period after closure within which a beneficiary must reassign his or her Ticket to an EN under Partnership Plus (see Chapter V) in order to maintain a CDR waiver. A few SVRAs provide beneficiaries with case closure letters so that the beneficiary can demonstrate immediately that his or her Ticket is available for assignment. Initially the case closure letter did not allow the OSM to reassign the Ticket, but in mid-2010 the OSM began accepting case closure letters as evidence that the Ticket is available for reassignment. However, VR counselors or Ticket holders must submit a case closure letter to the OSM in order to enable the beneficiary to reassign his or her Ticket. Some counselors may be unaware of this option, or unable or unwilling to take the time to draft a case closure letter.

Now that the in-use SVRA data transfer system is operational, the SVRAs we interviewed report that the Ticket assignment process has greatly improved, but also note ongoing issues. Under the original regulations, SVRAs reported that the Ticket assignment process imposed a significant administrative burden on SVRA counselors (O'Day and Revell 2007). The SVRAs interviewed stated they appreciated that counselors were no longer required to complete Ticket assignment paperwork for clients they serve under the traditional payment option. But three of the five SVRA officials interviewed reported ongoing challenges with the data transfer system. Some SVRAs are unable to use their data systems to automatically prepare files with the data elements that SSA requires, so staff must prepare these files manually. One SVRA respondent tried to convince the OSM to develop an automated data exportation process for a data system that many SVRAs use, but reported that these efforts have not been successful. Further, SSA procedures call for the OSM to send SVRAs a file in response to the monthly SVRA data submissions with information about

which Tickets the OSM has placed in use. One SVRA reported that, typically, they receive data back from the OSM for only about one-third of their submissions. This experience is inconsistent with the OSM's statement that now that the system rollout is complete, they deliver regular response files.

The OSM reports that some SVRAs are not using the data the OSM sends them to ensure that their clients' Tickets have been placed in use. They speculate that this could be because of limited staff time or a result of frustrations with data integrity issues that developed during the rollout. The OSM reports that due to these frustrations, some SVRAs have not looked at the data that the OSM returns to them in months.

D. Summary of Findings

The revised regulations significantly changed the administrative requirements for SVRAs, but we did not find any evidence that the revised regulations changed the extent to which SVRAs provided services to Ticket holders. While SVRAs have accepted more Tickets as ENs under the revised regulations, they continue to serve the overwhelming majority of Ticket holders under the traditional payment option. The number of Tickets placed in use fell in 2009. We expect this has little to do with the revised regulations, but is rather the result of a depressed economy and data issues. The economic downturn appears to have affected SVRA service provision to Ticket holders. Although state budget cuts forced some SVRAs to reduce services, others were able to restore or expand services after receiving federal stimulus funds.

The new Ticket in-use option for SVRAs reduced the administrative burden of assigning Tickets under the traditional payment system for SVRA counselors and the OSM. However, the OSM and SVRAs report that they encountered delays and challenges with the rollout of the data transfer system. Now that the system is operational, many SVRAs find that the new data transfer system reduces administrative time, but some SVRAs continue to experience problems, and others continue to submit Ticket assignment paperwork instead of electronic files. Accurate data allows Ticket holders to receive CDR protection while receiving services from an SVRA, and to reassign their Ticket to an EN after the SVRA closes the case. The OSM is working to improve the data transfer process and encourage additional SVRAs to submit regular electronic files.

In Chapter V, we describe SVRAs' and ENs' experiences working in collaboration to serve Ticket holders. We focus on Partnership Plus, a new SVRA initiative that allows SVRAs and ENs to provide sequential service and receive payment for serving the same beneficiary using the same Ticket.

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V. SVRA AND EN COLLABORATION UNDER PARTNERSHIP PLUS

One of SSA's goals in issuing the revised regulations was to improve SVRA-EN collaboration. In this chapter, we describe the barriers to such collaboration under the original regulations, the kinds of collaboration that SSA sought to promote, SSA and PMRO supports for new collaborations, and the degree to which SVRA and EN collaborations have changed under the revised regulations. SSA and the PMRO have encouraged SVRAs and ENs to provide sequential services to Ticket holders under the new Partnership Plus option. The PMRO has educated providers about Partnership Plus; PMRO staff has developed resources and worked closely with interested SVRAs. Despite these efforts, only 754 Ticket holders had been served under Partnership Plus. We describe common models of collaboration between SVRAs and ENs challenges to implementing Partnership Plus, and SSA and the PMRO's ongoing efforts to expand participation in Partnership Plus.

A. Background

SSA has promoted collaboration between SVRAs and ENs since TTW's inception. The original TTW regulations required SVRAs to develop payment-sharing agreements with ENs if they wished to jointly serve beneficiaries, but few agreements were developed and few beneficiaries received services under these agreements (Thornton et al. 2006, 2007).

Under the original regulations, collaboration was limited for two reasons. First, some SVRAs and ENs perceived that they had conflicting financial interests; this tension was particularly marked in the first years of TTW. Before TTW, SVRAs were essentially the only employment service providers receiving SSA funding, and some worried that TTW would reduce the amount of SSA funding available to SVRAs. In an early evaluation of the TTW program, we analyzed payment-sharing agreements, and found that the overwhelming majority of these agreements were not favorable to ENs. In the early years of TTW, most SVRAs sought to limit competition by encouraging the assignment of all Tickets to their own agencies, subcontracting with employment service agencies, including ENs, and seeking traditional cost reimbursement payments. As a result, some ENs did not accept Tickets from beneficiaries who had been served by SVRAs and opted to subcontract directly with the SVRA (Thornton et al. 2006).²⁰ Second, SVRAs interested in collaborating were hampered by the low number of ENs. Some SVRAs encouraged organizations to become ENs in the hope of expanding beneficiary choice and providing a "relief valve" in times of excess demand for SVRA services. However, due to the low level of EN participation in TTW, ENs neither accepted many Tickets nor measurably reduced waiting lists for SVRA services (Thornton et al. 2007).

One reason SSA introduced the revised TTW regulations was to "enable beneficiaries to take advantage of a more effective combination of services from both an SVRA and an EN" (Federal Register 2008). Beneficiaries are often able to find jobs but may have difficulty keeping them for extended periods of time and thus do not stop receiving benefits, or stop temporarily but then return to the benefit rolls (Livermore et al. 2010; Stapleton et al. 2010a). SVRAs have resources to

²⁰ Many EN representatives we interviewed stated that they preferred to subcontract with the SVRA rather than accepting Tickets directly because they were paid quickly, and paid based upon services provided rather than based upon beneficiary outcomes (Thornton et al. 2006, 2007).

provide intensive, up-front rehabilitation services, but many SVRAs close cases and discontinue services 90 days after stabilizing beneficiaries in employment. Under TTW, ENs are encouraged to provide ongoing post-employment services—to receive their full outcome payments, the beneficiary must remain employed for 36 months (DI beneficiaries) or 60 months (SSI beneficiaries). Thus, there are financial incentives for ENs to remain involved with beneficiaries to support their employment during this time and financial incentives for SSA to pay ENs to enable beneficiaries to remain off the rolls.

The revised regulations facilitate the provision of sequential services, generally provided first by the SVRA and then by the EN. Under the new Partnership Plus feature of TTW, a beneficiary can receive initial services from an SVRA operating under the traditional reimbursement option, and assign his or her Ticket to an EN after the SVRA closes the case in order to receive follow-up services. If the beneficiary is employed at the time the SVRA closes the case, the EN is not eligible for Phase 1 milestone payments, but remains eligible for Phase 2 milestone and outcome payments. This Partnership Plus service delivery model does not require a formal agreement between SVRAs and ENs. However, beneficiaries are more likely to assign their Tickets to an EN after SVRA case closure if the SVRA counselor informs them of this possibility, discusses the benefits of post-employment services, and provides referral information. SVRA and EN collaboration is not restricted to Partnership Plus. Organizations remain able to negotiate other service provision models and payment-sharing agreements.

SSA recognizes that because TTW operates under an outcomes-based reimbursement system, many ENs find it difficult to finance intensive, up-front services often required to help a beneficiary begin working. SSA hoped that Partnership Plus would help make TTW more financially viable for ENs, and that after receiving TTW funding for Partnership Plus cases, ENs could expand their service provision to additional clients who had not been served by SVRAs. Additionally, SSA envisioned that Partnership Plus would help SVRA clients remain employed and off disability benefits. This outcome would result in additional savings to the Social Security Trust Fund and additional payments to SVRAs, which only receive traditional reimbursement payments if a beneficiary has earnings above the SGA level for at least nine months within 12.

B. SSA and Program Manager Support for Partnership Plus

SSA and its contractors have worked to educate providers about Partnership Plus, and to provide SVRAs with training and technical assistance. Outreach efforts have focused on SVRAs, though the PMRO and OSM also inform ENs about Partnership Plus.

In May 2010, PRMO staff reported they had contacted every SVRA through its outreach activities, had worked closely with six states to implement Partnership Plus, and had helped additional SVRAs use the Partnership Plus option. PMRO staff have traveled to a number of states to train SVRA counselors and help SVRA leaders strategize about developing partnerships with ENs. Because of resource limitations, the PMRO has not developed webinars or other remote training, but has developed an online Partnership Plus Toolkit. This resource contains considerations for SVRAs who are deciding whether and how to implement Partnership Plus, descriptions of common collaborative models, examples of SVRA marketing materials and interagency agreements, and information about how to fulfill relevant RSA and SSA administrative requirements. The toolkit contains comprehensive information for program administrators, and a five-page collection of talking points for SVRA counselors who are responsible for informing beneficiaries about Partnership Plus.

We interviewed four SVRAs that have provided services to beneficiaries under the Partnership Plus model. These include two SVRAs the PMRO has worked closely with to implement Partnership Plus, and two SVRAs the PMRO has worked with less intensively.²¹ Representatives from these SVRAs indicated that PMRO outreach sparked their awareness of the initiative, and the PMRO helped some of them recruit and train in-state stakeholders. Although the experiences of these four SVRAs are not necessarily representative of all SVRAs, their positive feedback indicates that the PMRO's outreach and training is valuable. SVRAs balance many priorities, and many may require information and encouragement in order to participate in Partnership Plus.

While PMRO support may foster participation in Partnership Plus, several SVRA interviewees commented that the PMRO's ability to help them implement Partnership Plus was limited. They stressed that the success of Partnership Plus primarily depends on the working relationships between the SVRA and ENs in each state. However, some of the SVRA representatives we interviewed were not aware of or satisfied with the document that the PMRO created for SVRA counselors as part of the Partnership Plus Toolkit. Some states have developed their own materials for counselors. One interviewee suggested that the PMRO could better support SVRAs by developing a concise resource that enumerates the benefits to the client of Partnership Plus and the counselors' role in establishing a long-term relationship between the client and the prospective EN.

C. Ticket Assignments Under Partnership Plus and Other SVRA-EN Collaborations

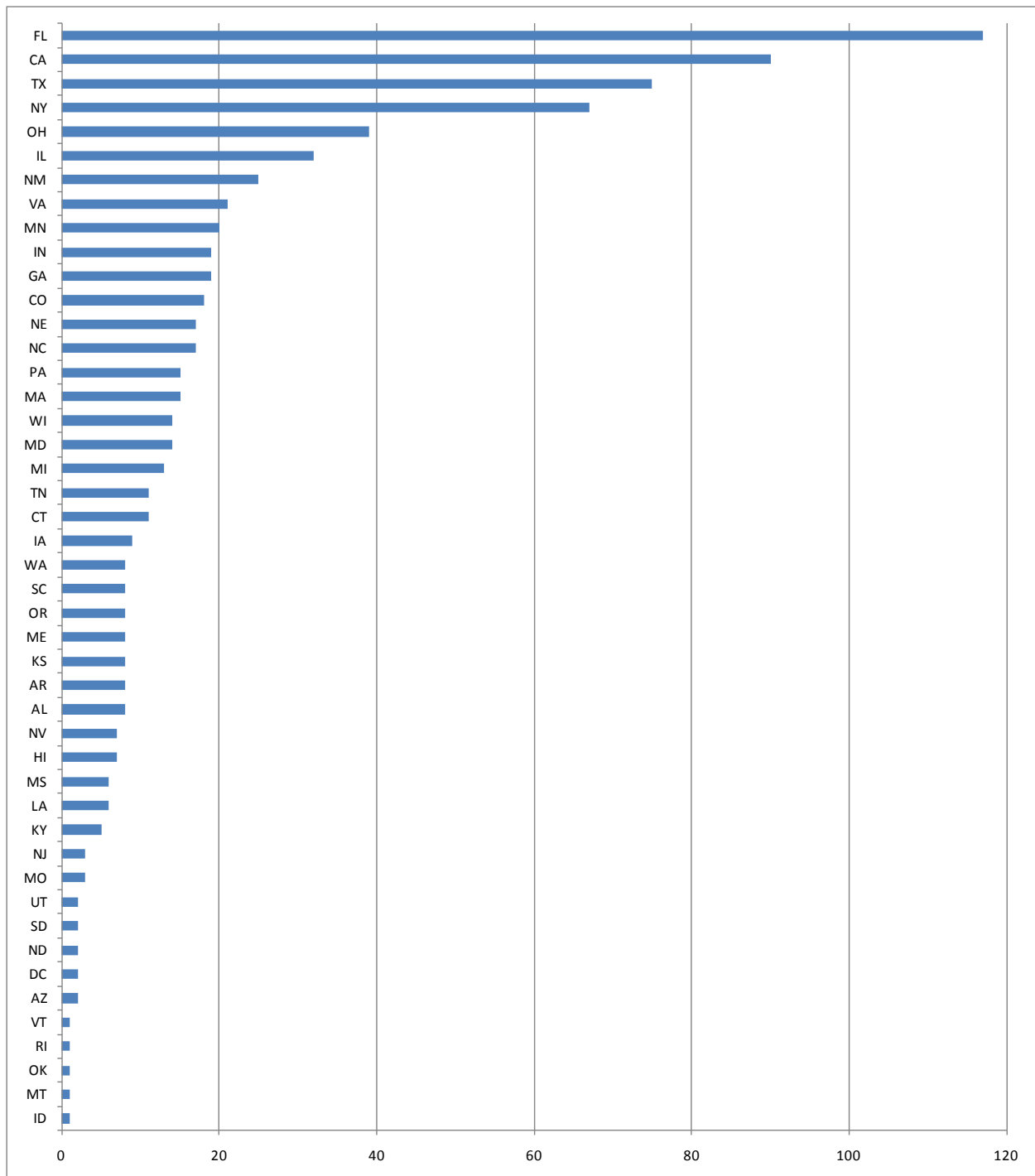
Although some SVRAs and ENs have implemented promising collaborations, Partnership Plus appears to be confined to a limited number of SVRAs and beneficiaries. In Exhibit I, we present the number of beneficiaries enrolled in TTW under Partnership Plus by state. These Partnership Plus cases are defined as beneficiaries with Tickets that were assigned to an SVRA, and then subsequently assigned to an EN at any point between July 21, 2008 (the day the new regulations took effect) and December 31, 2009. As of December 2009, only 786 beneficiaries had been served under Partnership Plus. In comparison, 239,073 beneficiaries had their Tickets in use with an SVRA in that month. The counts by state shown in Exhibit V.1 include beneficiaries who received sequential services with or without active collaboration between an SVRA and an EN. They do not include beneficiaries who received services under other collaborative agreements, such as cases in which the SVRA accepted a Ticket assignment as an EN and split payments with another organization. Although some SVRAs in both large and small states have tried to promote Partnership Plus, the states with the highest number of cases are those with large numbers of beneficiaries.

Our interviews with SVRAs and ENs suggest that the most common form of collaboration remains an EN working as a vendor to an SVRA, with the SVRA seeking traditional reimbursement from SSA after the case is closed and the EN being paid for the services they provided, regardless of whether the SVRA receives any payment from SSA. This longstanding model does not require employment service providers to be ENs and does not require the beneficiary to achieve specific employment outcomes for the employment service provider to be paid. Because the SVRA may only

²¹ We also interviewed representatives from 3 ENs that are partners of participating SVRAs, and discussed Partnership Plus with the 11 other EN representatives we interviewed, many of whom had not participated in Partnership Plus. See Appendix A for the details of our sampling strategy.

fund services until the beneficiary is stabilized in employment, this type of collaboration does not address SSA’s goal of encouraging stronger post-employment services.

Exhibit V.1. Number of Partnership Plus Cases by State



Total: 786

Source: Disability Control File, June 2010.

Note: States with no Partnership Plus cases do not appear in this exhibit.

Four of the SVRAs we interviewed have modified the standard Partnership Plus model or implemented other collaborations, such as splitting payments for a Ticket that one organization accepts. A few of the SVRAs that participate in Partnership Plus offer ENs incentive payments for assisting these beneficiaries to reach nine months of earnings at or above SGA, and one of these SVRAs also offers a smaller payment if beneficiaries reach three months of earnings at the SGA level. If ENs serve beneficiaries whose cases were closed before the beneficiary reached nine months of employment at SGA and help the beneficiary subsequently reach nine months of work at SGA within 12 consecutive months, the SVRA qualifies to receive traditional reimbursement from SSA.

D. Challenges to Participation in Partnership Plus

SVRAs and ENs reported significant barriers to serving Ticket holders under the Partnership Plus option, particularly the required staff time and effort. For Partnership Plus to work, SVRA and EN leaders must establish collaborative relationships and SVRA counselors need to encourage clients to seek post-employment services from ENs. Engaging ENs and changing counselor practices requires significant effort on the part of SVRA leaders. Some SVRAs have not tried to implement Partnership Plus, and others have tried to do so with limited success. One SVRA respondent recruited EN partners and trained counselors, but was disappointed to learn from the PMRO that they had fewer than a dozen Partnership Plus cases.

One challenge to implementing Partnership Plus is recruiting EN partners. Some SVRAs tried to do this because they wanted to give beneficiaries a choice of ENs from which to receive post-employment services. One SVRA representative we interviewed reported recruiting ENs for this reason, while two others did not specify their motivation for encouraging EN participation. SVRA representatives spoke at conferences and other gatherings, and reached out to their vendors and other employment service providers individually. Most SVRA respondents reported that despite this outreach, the small number of quality EN partners significantly limits participation in Partnership Plus.

A second challenge is engaging SVRA staff, particularly the counselors who work directly with beneficiaries. SSA interviewees indicated that many SVRAs were initially reluctant to participate in Partnership Plus, partially because many SVRAs are managing many programs, and partially because under the original regulations many SVRAs and ENs perceived their interests conflicted. However, SSA and PMRO staff reported that interest in the program has increased among SVRA leaders.

Two SVRA leaders who have elected to participate in Partnership Plus reported having difficulty engaging their counselors. Interviewees stressed that counselors must receive information from trainers who speak the language of VR. One state administrator reported that his agency initially organized large seminars about Partnership Plus, but that counselors and their managers reacted negatively in these forums. Many of this SVRA's employees distrusted ENs, and some believed it inappropriate for organizations to receive funding from both SSA and another funder for the same work with the same client. After these unsuccessful meetings, agency leaders organized smaller sessions for SVRA managers and employment service organizations, in which they worked to alleviate their concerns. They held separate trainings for counselors. This respondent reported that while the agency's approach was labor-intensive, they succeeded in engaging staff members. However, other agencies may not have the resources to conduct this level of training.

SVRA administrators reported difficulty ensuring that counselors educate Ticket holders about Partnership Plus in a consistent manner. Some counselors may not inform Ticket holders that they can receive post-employment services from ENs. Others may mention this option in passing, but not promote the benefits of receiving these services or provide information about ENs. Other counselors may not perceive their clients to require post-employment services and so, choose not raise the possibility of ongoing services with these clients. Generally, SVRA administrators do not monitor whether counselors refer beneficiaries to post-employment services. One SVRA leader regrets that, due to limitations with her agency's data system, she is unable to monitor referrals; other agencies have chosen not to do so. In other states, involvement from agency leaders helps connect Ticket holders to post-employment services. One agency's Ticket coordinator often meets with Ticket holders and their counselors after successful case closures in order to discuss Partnership Plus.

SVRAs and ENs that have served beneficiaries under Partnership Plus reported that this collaboration allows them to provide post-employment services to small numbers of beneficiaries. In many Partnership Plus collaborations, the EN first serves the Ticket holder as a vendor to the SVRA. Partnership Plus allows ENs to receive additional payments for providing post-employment services to these clients. One ENs that is interested in Partnership Plus reported difficulty learning when SVRAs close cases of beneficiaries who might benefit from post-employment services; in contrast, EN vendors know when their clients' cases close. Four other ENs reported that they were interested in the program but had faced similar challenges getting employed or employment-ready clients from their SVRA. Additionally, SVRA and EN respondents stressed that clients benefit from receiving ongoing services from one provider. Most respondents serve entirely or primarily Ticket holders whose SVRA cases were closed after stabilizing the beneficiary in employment, rather than closures of cases that did not result in employment.

Other ENs and one of the SVRAs interviewed were not interested in developing new SVRA-EN collaborations. Some ENs preferred to continue collaborating only with SVRAs as a vendor because this model carries less financial risk. It is possible that some SVRAs may be overburdened with other priorities, and one SVRA respondent indicated that his agency prefers other collaborative models. This respondent stated that the PMRO pushes all organizations to participate in Partnership Plus, but that this model may not be optimal for all states. He suggested that some states are unable to support a substantial number of ENs, either because service providers are too small to fulfill the administrative requirements of TTW, or because there are very few serving a given area. The respondent believed that some states might be able to provide better services using other collaborative models, such as payment-sharing agreements in which the SVRA accepts a Ticket under an EN payment system and shares the payments they receive with rehabilitation services providers rather than paying them as a vendor.

Some SVRAs and ENs continue to believe that their interests are in conflict and see no reason to collaborate. SVRAs are required to serve beneficiaries even if the beneficiary's Ticket is assigned to another organization. One respondent believed that some ENs encourage beneficiaries to seek services from SVRAs but hold on to the beneficiaries' Ticket assignments in the hopes of qualifying for payments. Other organizations have been dissuaded by unsuccessful collaborations. One EN agreed to participate in a pilot Partnership Plus program to serve a small number of employed beneficiaries, but reported that the SVRA only referred unemployed beneficiaries, and was not responsive to inquiries about the situation.

E. Summary of Findings

The primary purpose of Partnership Plus is to encourage SVRAs and ENs to provide collaborative services to Ticket holders, enabling more beneficiaries to receive post-employment services and support. The PMRO conducted extensive outreach to SVRAs, and a number of these agencies decided to train counselors and recruit EN partners. Some states have implemented promising collaborations that serve small numbers of beneficiaries. As of December 2009, Partnership Plus had reached 786 beneficiaries, a very small number compared to the 239,073 beneficiaries who had Tickets in use with an SVRA in that month. This number is low because some SVRAs are not interested in participating, and others have had difficulty finding suitable EN partners and/or changing SVRA counselor practices. As under the original regulations, many ENs continue to provide services as vendors to SVRAs. SVRAs and ENs are most interested in using Partnership Plus to provide long-term services to Ticket holders who the participating EN already serves as a vendor. The PMRO and OSM report that SVRA leaders' interest in the program is increasing and expect expanded Partnership Plus participation in the future. SSA is in the process of drafting proposed changes to its regulations that should also support expanded Partnership Plus participation.

In Chapter VI, we summarize our conclusions on TTW under the revised regulations, including Partnership Plus.

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VI. CONCLUSIONS

TTW was designed to expand the market of employment services for Social Security disability beneficiaries and encourage beneficiaries to become employed and ultimately achieve earnings at levels that eliminate their reliance on cash disability benefits. In TTW's early years, SSA successfully implemented the program, but provider and beneficiary participation remained low and providers reported that their revenues from the program were inadequate and the program's administrative requirements were excessively burdensome (Stapleton et al. 2008). Earlier reports on TTW found that beneficiaries were generating relatively few payments for providers, and that those payments were likely to be insufficient to offset typical EN costs (Stapleton et al. 2008; Thornton et al. 2007). In this report, we assessed the implementation of and experiences with major revisions to the original TTW regulations; these revisions were designed to address many of the aforementioned challenges. Our findings are based on analyses of SSA administrative data on provider participation and Ticket assignments, and interviews with representatives from SSA, the PMRO, the OSM, 17 ENs and 5 SVRAs. Below, we summarize our conclusions regarding the successes and challenges of TTW under the revised regulations.

SSA carefully structured the revised regulations to address many of TTW's challenges. ENs indicated they appreciate that the new milestone-outcome structure provides more funding for early work efforts. The new SVRA in-use Ticket status option, which allows SVRAs to place a Ticket in use without completing the Ticket assignment process, reduces the administrative burden of TTW for SVRA counselors. Partnership Plus has the potential to provide an opportunity for ENs to support beneficiaries without financing the intensive, up-front services often required to help a beneficiary begin working. It also helps SVRAs connect Ticket holders to services they can receive after the SVRA closes the case.

SSA and its contractors successfully implemented the revised regulations. The OSM prepared informational materials, including remote trainings and online resources, and increased the number of staff available to provide technical assistance to ENs. The PMRO marketed the revised regulations to potential ENs, stressing that the new financial structure provides increased potential revenue. Overall, providers seem to understand the revised regulations.

The revised regulations generated renewed interest in TTW among providers. Organizations were especially drawn to the increase in the amount providers receive for beneficiaries' early work efforts under the new milestone-outcome payment structure. About twice as many ENs are taking Tickets compared to the number under the original regulations; as of December 2009, 639 ENs had taken at least one Ticket in the previous year, compared to 305 in June 2008. Additionally, the proportion of Ticket-eligible beneficiaries receiving services under an EN payment option increased from 0.21 percent to 0.32 percent, an increase of about 57 percent. This increase in Ticket assignments is the result of both SVRAs and ENs taking more Tickets under the milestone-outcome system. SVRAs and ENs continue to accept approximately the same volume of Tickets under the outcome-only payment option as under the original regulations. SVRAs overwhelmingly continue to prefer the traditional payment option and value TTW as a supplemental funding source.

Although SSA has made considerable progress in implementing TTW under the revised regulations—and the regulations appear to have had a positive impact on provider and beneficiary participation in TTW—significant challenges remain.

Beneficiary and provider participation remain low relative to the number of Ticket-eligible beneficiaries, and some providers are concerned that the program is not financially viable for ENs. Under the revised regulations, more beneficiaries are receiving services from ENs, but this increase is very small relative to the total number of eligible beneficiaries. The number of Tickets assigned to an EN or an SVRA-EN increased from 24,289 in June 2008 to 40,250 in December 2009. However, as of December 2009, only 0.32 percent of Ticket-eligible beneficiaries had their Tickets assigned under an EN payment option, and only 1.91 percent had their Ticket in use with an SVRA. The overall TTW participation rate was 2.24 percent as of December 2009. The recent recession may have hindered participation in TTW. Some EN representatives stated that they have trouble finding clients who are interested in working enough to leave the rolls, especially in the current economic climate. Further, the SVRA participation rate is likely higher than currently shown due to data problems as SSA switched to automated reporting of in-use status for SVRAs.

Despite the revised payment structure, under which the milestone-outcome payment system rewards earlier work efforts, some EN officials still do not believe that this outcomes-based program is financially viable for ENs. In particular, some EN representatives complained that the revised regulations do not provide enough funding for up-front services. However, a portion of the providers who are concerned about the payment structure are serving beneficiaries who do not plan to leave the rolls because of work, so they may not share SSA's goal of supporting beneficiaries to reduce their dependence on benefits. Even when ENs qualify for payments, getting paid can require significant effort, as many lose touch with clients once they are stabilized in employment. Some ENs are pursuing creative solutions to this problem, but others abandon payments that are difficult to obtain. SSA may wish to consider assisting ENs with tracking beneficiaries who are working by matching Ticket participant data with information from the NDNH or a similar source of information.

Although SVRA participation in Partnership Plus has been lackluster, with few beneficiaries served under this model, we believe that Partnership Plus has the potential to help SVRAs and ENs better serve Ticket holders. A number of SVRAs and ENs have developed successful collaborations, but new partnerships have been limited for several reasons. Some SVRAs leaders are uninterested in participating because they prefer other service delivery models or because they do not believe that implementing Partnership Plus is the best use of their agencies' limited resources. Others have worked to implement Partnership Plus, but report barriers, including a low number of suitable EN partners and difficulty changing SVRA counselor practices.

Despite these challenges, we believe that Partnership Plus has the potential to help SVRAs and ENs provide ongoing employment supports to beneficiaries who are working. Previous research has shown that many beneficiaries begin working but do not remain employed (Livermore et al. 2010; Stapleton et al. 2010a). Partnership Plus provides a vehicle for beneficiaries to receive ongoing support beyond what SVRAs can provide. The PMRO's recruitment and promotion efforts regarding Partnership Plus continue, and the PMRO believes they are beginning to recruit more SVRAs and ENs. However, provider experiences to date suggest that one ongoing challenge will be changing counselor practices. SSA and the PMRO may wish to consider helping SVRAs develop resources and strategies to foster counselor participation.

SSA and the program managers' ongoing recruitment efforts may enhance EN and beneficiary participation in TTW, but they may wish to increase their efforts to assess the effectiveness of these initiatives. SSA and the program managers continue to work to recruit new

ENs and beneficiaries through WISE events, the new Choose Work campaign, partnerships with local organizations, participation in conferences and other events, and social media.

SSA and the program managers track certain outcomes, including the number of organizations that become ENs, the number of Tickets assigned overall and by specific ENs, and the number of ENs that qualify for payments. SSA and program manager interviewees reported that while they had linked observed outcomes to specific outreach efforts in some cases, this had not occurred consistently, and that not all the data produced had been analyzed. SSA stated they often undertake several initiatives simultaneously, which makes evaluating the effectiveness of each initiative more difficult.

As SSA and the program managers continue to implement new methods for engaging providers and beneficiaries in TTW, they should consider doing so in a manner that allows them to assess the effectiveness of their efforts; for example, by tracking the outcomes of Ticket holders who receive targeted mailings or participate in WISE events. While SSA would not be able to establish a rigorous counterfactual by using this approach, such evaluation efforts would allow SSA to identify and replicate practices that lead to outcomes that are consistent with TTW program goals.

Although SSA and the OSM have significantly improved the administrative procedures for ENS and SVRAs, administrative issues continue to hinder some providers' participation in TTW. Many interviewees reported challenges with the payment process, the procedures through which SVRAs transmit data to assign Tickets to the in-use status, and the requirement that ENs document beneficiaries' prior employment through the look back. SSA and the program manager have worked to alleviate many of these frustrations. At the time of this report, SSA and the program managers were in the process of developing a system to allow ENs and the OSM to exchange information electronically. Also, they have expanded the staff available to support ENs and made efforts to speed up payments and Ticket assignments. For example, SSA and OSM representatives believe that payments are now made more quickly than in the past because more responsibility for provider payment requests has been shifted from SSA to OSM.

Despite these improvements, many SVRA and EN officials reported that challenges with the payment process (including the required paperwork, the length of time required to process payments, and problems obtaining information about the status of payments) represent their greatest frustration with TTW. Some ENs stated they were considering leaving TTW because of these and other administrative issues.

Although the new Ticket in-use status reduces the administrative requirements for SVRA counselors, some SVRAs reported ongoing problems with the data transfer system. SSA designed the in-use status option in part to reduce the administrative burden of TTW for SVRAs. SVRA respondents stated they appreciate that counselors are no longer required to complete Ticket assignment paperwork for every beneficiary they serve. While some SVRA representatives reported that the data transfer process is operating smoothly, others reported that preparing these files is time-consuming and labor intensive, and one noted problems receiving timely and accurate responses from the OSM. One SVRA suggested that SSA could reduce the administrative burden of participating in TTW by developing methods to extract data from common SVRA databases.

Some SVRAs do not submit regular updates to the OSM regarding which Tickets are in use. Inaccurate or delayed data prevents the OSM from affording beneficiaries CDR protection, and from taking Tickets out of use soon after SVRAs close cases, so that beneficiaries can reassign their

Tickets to ENs in order to receive follow-up services. SVRAs that continue to submit individual Ticket assignments or that need extra support to use the data transfer system use SSA resources that could otherwise be used on other priorities. Data issues also make interpreting trends in SVRA participation more complicated.

In response to EN feedback, SSA reduced the amount of information ENs are required to provide in the look back; however, SSA might consider additional ways to streamline this process. Initially, ENs were required to submit 18 months of information about a beneficiary's work history to allow the OSM to determine whether the EN was eligible for Phase 1 payments. Now ENs are required to submit just six months of information. The OSM uses SSA data to check earnings from 7 to 18 months prior to Ticket assignment. OESP representatives stated they expect ENs to discuss prior earnings with their clients as part of their discussion of employment goals, and they believe most beneficiaries have an accurate memory of their work efforts in the past six months. Thus, they do not expect the look back to impose a significant burden on ENs. However, some EN representatives reported that documenting the previous six months of work is difficult for their organizations. SSA and OSM staff told us that ENs should submit the best information they can and do not need to provide documentation if a beneficiary has not worked in the previous six months. SSA and the program managers may wish to reach out to ENs to clarify procedures surrounding the look back.

Also, SSA might consider further reducing the requirements surrounding the look back. The look back poses the greatest challenge to ENs that do not understand the regulations well, so any changes that reduced look back requirements would benefit those ENs the most. OESP reported they ask ENs to submit the six-month look back because SSA wage data may not reflect work efforts for six months. However, the OSM re-checks work history prior to Ticket assignment before issuing payments, and months generally elapse between when an EN assigns a Ticket and when they submit their first payment request, so full SSA data on prior work history may be available by that time. OESP could consider allowing ENs finding it difficult to complete the look back to submit a form promising to repay any overpayments due to prior work efforts.

One barrier to expanding provider participation in TTW is providers' perceptions about the administrative burdens of TTW. SSA and the program managers will need to continue to educate providers about administrative improvements to help them overcome their negative impressions about TTW—impressions that may be based on problems encountered in the past.

In sum, we conclude that while the revised regulations have modestly expanded provider participation and more beneficiaries have assigned their Tickets under an EN payment option, SSA faces considerable challenges in its work to drastically expand participation. SSA and program manager recruitment efforts and an improved economic climate may lead to future increases in participation. The participation of beneficiaries and ENs has increased under the revised regulations, however, participation remains relatively low compared to the number of Ticket-eligible beneficiaries. While the providers we interviewed are not representative, most respondents expressed positive opinions about the revised regulations, particularly the revisions to the milestone-outcome payment structure and the introduction of the in-use Ticket status option for SVRAs. Despite the revised regulations and SSA and program manager efforts to streamline administrative processes, providers continue to experience administrative issues, and some express concerns about the adequacy of available payments.

Future efforts to improve the program will need to combat provider perceptions that TTW is not a financially lucrative venture for them and has excessively burdensome administrative requirements. Also, additional efforts must be made to meet the challenge of attracting providers to this outcomes-based program and encouraging beneficiaries to work enough to reduce or lose disability benefits. SSA and the program managers are undertaking new initiatives to recruit providers and beneficiaries. This recruitment work and an improved economic climate may help foster future increases in TTW participation.

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APPENDIX A
SAMPLING STRATEGY

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In this appendix, we describe the sampling strategy used to select ENs and SVRAs for interview. The sampling strategy was designed to allow us to explore providers' experiences with the new regulations, focusing on four specific issues. We selected a portion of our respondents based on each of these issues. We also asked all respondents a core set of questions covering a range of topics. For example, we selected 7 of the 19 respondents based on his or her organization's participation in Partnership Plus, but we discussed Partnership Plus with all 19 respondents.

The four specific issues we focused on and the methods for selecting the providers to interview are described below.

A. EN Experiences with the Revised Regulations

Our first goal was to describe ENs' participation under the revised regulations, their perspectives on the new regulations, and their experiences receiving support from SSA, CESSI and MAXIMUS. Our dataset, which was provided by the OSM, contained all ENs' current and cumulative Ticket assignment levels as of August 2009. Our sampling strategy was as follows:

1. We eliminated ENs that had terminated their contracts, been placed "on hold" or had fewer than five active Tickets.
2. We grouped ENs into two categories: those that became ENs before January 1, 2008, and those that became ENs on or after January 1, 2008. Our goal was to distinguish between organizations that became ENs before and after the new regulations. Although the new regulations did not take effect until July 21, 2008, due to the amount of public discussion about revising the regulations, organizations that became ENs in early 2008 may have been aware of the proposed changes.
3. We subdivided these groups based upon the number of Tickets accepted (between 5 and 20 active Tickets or more than 20 active Tickets).
4. We randomly selected one EN to interview from each of the resulting four categories. Two ENs did not respond to our requests for interviews, and in these cases, we substituted randomly selected alternates.

We conducted detailed interviews with these four organizations. The interviews focused on ENs' experiences with the new regulations, and topics included ENs' marketing and client screening strategies, service provision, partnerships, and experience with the Ticket assignment and payment processes.

After these initial interviews, we determined that we would benefit from talking to organizations that became ENs before the regulations changed and had accepted a high number of Tickets; we hoped these ENs could provide us with more information about what changed after the regulations changed. We randomly selected two organizations that became ENs before July 1, 2008, and had more than 100 active Tickets. We conducted detailed interviews with them using the same protocol used for the initial four interviews.

B. High-Growth ENs

Our second goal was to sample organizations that had substantive experience with TTW under the original regulations, and that accepted considerably more Tickets under the revised regulations in both proportional and absolute terms. We used the following selection method:

1. We merged data from the OSM about the number of Ticket assignments by EN in August 2009 with an extract from the Ticket Research File that contained information about ENs' past Ticket-taking behavior. We created a file of all ENs with 5 or more current Ticket assignments in July 2007, and with a growth of 10 or more current Ticket assignments between July 2008 and August 2009. We excluded ENs that had terminated their contracts or been placed "on hold."
2. We created a ratio to represent growth after the revised regulations took effect, dividing the number of current Tickets assignments in August 2009 by the number of current Ticket assignments in July 2008.
3. We used this ratio to divide ENs into quartiles and randomly selected ENs from the top three quartiles. Some of the organizations we originally selected did not respond to our interview requests or declined to participate, and in these cases, we interviewed randomly selected alternates. We interviewed one EN from the second quartile of growth, two ENs from the third quartile, and one EN from the fourth quartile.

These interviews were shorter than those described above and focused on specific comparisons of experiences before and after the regulations changed.

C. SVRA and EN Experiences with Partnership Plus

Our third goal was to learn why organizations elect to participate in Partnership Plus, what models of collaboration have developed, and what participants see as the program's successes and challenges.

We interviewed four SVRAs that CESSI described as engaged in Partnership Plus; these included the two states with high number of Partnership Plus cases and two states with moderate numbers of Partnership Plus cases. We also interviewed three ENs that participate in Partnership Plus; these organizations were recommended by SVRA respondents. We also asked organizations that we selected based on other criteria to describe their perspectives on Partnership Plus.

D. SVRA Experiences with the Revised Regulations

Our fourth goal was to learn about SVRAs' experiences with the revised regulations, particularly with the new in-use status option. In addition to the SVRAs we selected based on their participation in Partnership Plus, we also interviewed one SVRA that had accepted a large number of Tickets as an EN.

E. ENs Not Receiving Payments to Which They Were Entitled

Our fifth goal was to determine why ENs do not receive all payments to which they appear to be entitled. We used data from the Ticket Research File (TRF) and EN payment data to determine which ENs had not been paid for months where their participants left payment status due to work

(see Stapleton et al. 2010a for a discussion of the benefit suspense or termination due to work indicator). We selected cases where the beneficiaries' most recent Ticket assignment date was in 2008, so that the ENs would be more likely to remember the participants. We looked at cases occurring between July and December 2008 because the new regulations were in effect during this time period and ENs could still potentially be paid for these months if they could provide proper documentation. We then selected ENs for interview based on which had the most participants with unpaid months. We used alternates when we were unable to contact the initial ENs selected.

F. Additional Interviews

We also interviewed OESP, the OSM, the PMRO, and one large, national EN.

APPENDIX B

DETAILED DESCRIPTION OF CHANGES TO THE TTW REGULATIONS

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Table B.1 describes the key changes to the TTW regulations that were implemented in July 2008. The table is reproduced from information developed and disseminated by SSA (SSA 2008).

Table B.1. Key Changes to the TTW Regulations (Effective July 21, 2008)

Item	Prior Regulation	New Ticket Regulations (Effective July 21, 2008)
Return-to-Work Concept	Does not address the reality that entering the workforce or returning to work for SSA beneficiaries is an incremental and often episodic process. Payments are only available once the beneficiary's earnings reach the substantial gainful activity (SGA) level.	The new regulations create a three-phase return-to-work process: <ol style="list-style-type: none"> 1. Starts with Phase 1 Milestone payments based on work at TW level (\$670 a month in 2008). [411.525(a)(2)] 2. Progresses to Phase 2 Milestones based on earnings at gross SGA levels (does not require deductions for work incentives). SGA levels in 2008 are \$940 for people with disabilities other than blindness and \$1,570 for people who are blind. [411.525(a)(2)(ii)] 3. Moves to standard prior rules where Outcome payments are triggered by net SGA earnings (i.e., after deductions for work incentives) and a zero cash-benefit status. <p>The payment system and the way timely progress is measured facilitate a gradual return to self-sufficiency.</p>
Who Is Eligible for a Ticket?	Adult beneficiaries with disabilities, ages 18 to 64: <ul style="list-style-type: none"> • All Medical Improvement Not Expected (MINEs) and Medical Improvement Possible (MIPs) beneficiaries • Medical Improvement Expected (MIEs) eligible only after having had a CDR 	All adult beneficiaries with disabilities will be eligible to receive Tickets. Tickets will not be mailed to MIEs until around November 1, 2008, due to computer-system delays. [411.125]
Outcome-Only EN Payment System	40% of payment calculation base (PCB—based on average benefit paid in prior year for DI and SSI only) for up to 60 months of no cash benefits due to work activity.	67% of the payment calculation base: <ul style="list-style-type: none"> • For up to 36 months for DI beneficiaries (\$657 a month). Total potential payments = \$23,652. • For up to 60 months for SSI beneficiaries (\$377 a month). Total potential payments = \$22,620. [411.525(a)(1)(i); 411.550]
Outcome-Milestone EN Payment System	Up to four Milestone payments after 1, 3, 7, and 12 months of SGA <ol style="list-style-type: none"> 1. 1st month SGA → 34% of PCB 2. 3 months SGA → 68% of PCB 3. 7 months SGA → 136% of PCB 4. 12 months SGA → 170% of PCB 5. (No equivalent to Phase 2) 	Phase 1 Milestone payments (based on months of work at TW level, i.e., \$670 a month) are available to compensate for initial efforts at self-supporting employment. [411.500(f)(1)] <p>50% of TW in a month → 120% DI PCB (\$1177)</p>

Table B.1 (continued)

Item	Prior Regulation	New Ticket Regulations (Effective July 21, 2008)
	<p>Outcome payments = 36% of PCB reduced for Milestone recovery</p>	<ol style="list-style-type: none"> 1. 3 months (out of last 6) TW → 120% DI PCB 2. 6 months (out of last 12) TW → 120% DI PCB 3. 9 months (out of last 18) TW → 120% DI PCB <p>*In Phase 1, all payments based on 120% of DI PCB for 2008 = \$1177.</p> <p>Payment of Milestone 4 requires substantial completion of services outlined in the beneficiary's IWP. [411.525(a)(2)(i)]</p> <p>Phase 2 Milestone payments (per month of work at gross earnings equal to SGA level, i.e., \$940 non-blind and \$1,570 blind)</p> <ul style="list-style-type: none"> • Up to 11 payments of \$353 for DI or up to 18 payments of \$203 for SSI • Each payment equal to 36% of respective PCB [411.525(a)(2)(ii)] <p>*Milestone payments are made on gross wages before deductions for work incentives. [411.525(a)(2)(i) & (ii)]</p> <p>Milestones are consecutive and cumulative.</p> <p>Outcome phase—up to 36 monthly payments of \$353 for DI and up to 60 payments of \$203 for SSI. Amount is 36% of respective PCB without Milestone recovery. [411.525(a)(2)(iv); 411.545]</p>
<p>Transition to New Payment System</p> <p>*Transition payment cases are those in which some (but not all) of the EN payments have been made under the prior regulations.</p>	<p>NA</p>	<p>A case will be transitioned when we make the first payment under the new rules for work attained in July 2008 or later. Once we make a payment under the new rules, we will no longer make payments under the old rules. [411.500(g); 411.551]</p> <ol style="list-style-type: none"> 1. SSA will equate prior four Milestones with new Phase 1 Milestones and pay the next unpaid Milestone. [411.551(a)] 2. If all four prior Milestones were attained, the beneficiary enters the new system at the beginning of the Phase 2 Milestones. [411.551(b)] 3. If Outcome payments have started, they will continue

Table B.1 (continued)

Item	Prior Regulation	New Ticket Regulations (Effective July 21, 2008)
		<p>at the new rates based on a formula. Payments made will be totaled and subtracted from the new “total” value of the Ticket, and the remainder will be divided by the applicable monthly Outcome payment amount under the new rules to determine the number of Outcome payments available (must be 60 or less). Total payments cannot exceed the total value of the Ticket at the time of transition. [411.551(c)(1), (2) & (3)]</p>
		<p>4. All payment requests for all Milestones and Outcomes earned under the prior rules must be submitted by March 31, 2009. [411.551]</p>
<p>Milestone Reconciliation (when the Outcome payment period starts before all milestones are paid)</p>	<p>NA</p>	<p>Final rule adds a “Milestone reconciliation” payment that includes all Milestones available at the time of first Ticket assignment that remain unpaid due to the start of the Outcome payment period. The reconciliation payment is made when the 12th Outcome payment is made. [411.500(h); 411.525(c); 411.536]</p>
<p>Total Payments: ENs must choose one of two payment systems, the Outcome or Outcome-Milestone System</p>	<p>Total of Outcome-Milestone payments equals 85% of Outcome-only payments. DI total payments are about 70% higher than SSI total payments.</p>	<p>Outcome-Milestone payments increased to 90% of Outcome-only payments [411.525(b)]. Total potential payments for DI and SSI are about equal (\$21,299 for DI and \$20,542 for SSI).</p>
<p>Milestone Recovery (lump-sum payment)</p>	<p>Uniformly over the 60 months of Outcome payments (i.e., 1/60 of total Milestones paid will be recovered from each monthly Outcome payment).</p>	<p>No recovery from Outcome payments will be required.</p>
<p>“Timely Progress” Definition of Using a Ticket for Purposes of Continuing Disability Review (CDR) Protection</p>	<ol style="list-style-type: none"> 1. 24 month review—“active” participation required; no work requirement 2. 36 month review—3 months’ work at SGA level 3. 48 month review—6 months’ work at SGA level 4. 60 month review—6 months’ work above SGA and \$0 cash-benefit level 5. Successive 12 month reviews—6 months’ work above SGA and \$0 cash-benefit level 	<p>Changes to Timely Progress review requirements [411.180]:</p> <ol style="list-style-type: none"> 1. 12 months—3 months’ work at TW level (\$670 in 2008) or 60% of full-time college credits for one year earned. 2. 24 months—6 months’ work at TW level or 75% of full-time college credits for one year earned. 3. 36 months—9 months’ work > SGA or completed two-year program or an additional one year of full-time college credit earned. 4. 48 Months—9 months’ work > SGA or an additional one year of full-time college credit earned. 5. 60 months—6 months at \$0 payment level or an

Table B.1 (continued)

Item	Prior Regulation	New Ticket Regulations (Effective July 21, 2008)
		<p>additional one year of full-time college credit earned.</p> <p>6. 72 months—6 months at \$0 cash payment level or completed four-year college program.</p> <p>7. Successive 12-month periods—6 months at \$0 payment level.</p> <p>*10% variance tolerance applies. [411.166(h)]</p>
Transition to “Timely Progress” Rules	NA	At time of first review after July 21, 2008, the beneficiary will receive a letter notifying him or her of the new requirements that will be applied one year later at the time of the next scheduled review. [411.226(b)]
Vocational Rehabilitation (VR) Agency Rules	A state VR agency can elect to be paid under Cost Reimbursement rules, but a Ticket must be assigned to the VR agency to be eligible for reimbursement. No payments allowed under either EN payment system if VR had Ticket assigned under Cost Reimbursement.	<ul style="list-style-type: none"> • If VR agency provides services under Cost Reimbursement method, then a new “in use-SVR” status provides beneficiary with CDR protection. Beneficiary cannot assign the Ticket to an EN while VR has an open case. CDR protection is extended for 90 days after VR case closure. Every month, VR agencies will be asked to submit information electronically on beneficiary cases being opened to be served under Cost Reimbursement. [411.166(a)] • VR and EN can both receive payment sequentially, VR under Cost Reimbursement and EN under the elected EN payment system after VR case closure and assignment of a Ticket to the EN. An EN that accepts the ticket of a beneficiary who previously received services from a VR agency and achieved an employment outcome is only eligible for Phase 2 Milestone and Outcome payments. Phase 1 Milestone payments will not be available. [411.135; 411.140; 411.535(a)(iii); 411.585]
Effect of Recent Work and Earnings	NA	<p>Final regulations contain a “recent work” rule which will be applied when the Ticket is first assigned. Under the new rules, some Phase 1 Milestone payments may not be available if the beneficiary worked above the TWP level during the 18 months before Ticket assignment. [411.535(a)(1)(ii)]</p> <ul style="list-style-type: none"> • Milestone 1 not available if earnings > TWP level in the month before Ticket assignment • Milestone 2 not available if earnings in 3 of last

Table B.1 (continued)

Item	Prior Regulation	New Ticket Regulations (Effective July 21, 2008)
		<p>6 months > TWP</p> <ul style="list-style-type: none"> • Milestone 3 not available if earnings in 6 of last 12 months > TWP • Milestone 4 not available if earnings in 9 of last 18 months > TWP <p>* Does not apply to transition cases</p>
EN Overpayments Due to Errors in Benefit Eligibility	ENs must repay if Ticket payments were made and SSA retroactively determined that the beneficiary was not eligible for disability benefits.	SSA will not seek an adjustment if a retroactive determination or decision about a beneficiary’s right to benefits results in an overpayment to the EN. [411.555(c)]
EN Reporting	No requirement that EN report when they want Ticket taken out of assignment.	ENs must also report to the Maximus (the OSM) when they want a Ticket taken out of assignment. [411.145(a)]
EN Payments to Beneficiaries	NA	<p>Payments to beneficiaries are allowed. [411.566]</p> <p>*Payments to beneficiaries currently treated as unearned income.</p>
DOL Workforce One-Stop Centers & American Indian VR Service Projects	NA	<p>SSA recognizes WIBs and One-Stop Career Centers [411.310(d)] and American Indian VR Service Projects [411.310(e)] as qualified to be ENs with streamlined contract requirements. These entities are still required to enter into a contract with SSA and comply with both general and specific requirements associated with being an EN; however, they are now considered to be automatically “qualified” to be ENs and have been deemed to have met the liability insurance requirements in the EN request for proposal. To become an EN, such entities need only complete and submit to SSA a 12-page portion of the RFP found in Part III—EN Proposal Documentation Requirements. This completed documentation constitutes their EN contract proposal.</p>

Source: Social Security Administration 2008.

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APPENDIX C

TICKET MAILING TARGET ANALYSIS

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A. Introduction

In this appendix, we describe the methods and findings of an analysis of the characteristics of the new DI and SSI beneficiaries who are most likely to assign a Ticket under the TTW program. The purpose of this analysis was to identify specific characteristics observable in Social Security Administration (SSA) administrative records that could be used by SSA to target the automatic, initial Ticket mailings to new beneficiaries who are most likely to use their Tickets. Instead of automatically mailing Tickets to all beneficiaries shortly after they are awarded DI or SSI benefits (the current practice), SSA would only send Tickets to those with characteristics associated with a greater likelihood of Ticket assignment. In targeting the mailings to only a minority of beneficiaries most likely to use their Tickets, SSA will reduce the administrative costs associated with TTW. Given that only a very small percentage of beneficiaries use their Tickets during the first four years after entering the disability rolls (approximately 3.5 percent), targeting the Ticket mailings makes sense from an efficiency perspective. Beneficiaries not targeted for the automatic Ticket mailings would still be eligible to participate in TTW,²² and be able to obtain a Ticket on request.

In what follows, Section B describes the data and methods used in the analyses, Section C presents the descriptive and multivariate findings, and Section D describes the outcomes of four potential targeting models or approaches. We conclude in Section E with a discussion of the limitations of the analysis.

B. Data and Methods

To assess which characteristics are most predictive of Ticket assignment among new SSI and DI beneficiaries, we produced descriptive statistics showing Ticket assignment rates by various beneficiary characteristics. We also developed multivariate (logit) models to assess which characteristics are significantly predictive of Ticket assignment after holding other characteristics constant, and to assess the relative effectiveness of using propensity score targeting methods compared with a simpler method based only on age. The analyses also examined the timing of Ticket assignments relative to the Ticket mailing to assess whether the timing of the initial mailing could be optimized.

We used data from the 2009 Ticket Research File (TRF). The sample includes all beneficiaries who were mailed a Ticket during calendar year 2005. We selected 2005 as the year of analysis because it is the first full calendar year after TTW was implemented in all states, and also allowed us to follow the Ticket assignment and work incentive activity of beneficiaries for four full years. We used the full calendar year of Ticket mailings to account for potential seasonality in awards and Ticket assignments.

To facilitate implementation of a targeting algorithm by SSA, the analysis relied on SSA administrative data that we understand are readily available shortly after an SSI or DI award. Sample characteristics and the variables used in the analysis are shown in Tables C.1 and C.2. Note that, because our analysis is based on data from the 2009 TRF, a few of the variables used in the analysis reflect the status of beneficiaries as of December 2009, rather than the status as of the Ticket mail

²² The physical Ticket is not necessary for eligible beneficiaries to enroll in TTW.

Table C.1. Variables Used in the Analyses

Variable Name	Description	Mean
Program	Program status at Ticket mail month. Based on Ticket Mail Date (TKTMAILDDTn), Ledger Account File Status (LAFyymm), and SSI Payment Status (PSTAyymm).	
DI-only	=1 if DI-only beneficiary at Ticket mail month; 0 otherwise.	0.46
SSI-only	=1 if SSI-only recipient at Ticket mail month; 0 otherwise.	0.28
SSI/DI unknown	= 1 if unable to determine SSI/DI status at Ticket mail month; 0 otherwise.	0.01
Omitted: Concurrent	Concurrent beneficiary at Ticket mail month.	
Widow	=1 if a DWB; 0 otherwise. Based on Beneficiary Identification Code (BIC).	0.25
DAC	=1 if DAC; 0 otherwise. Based on Beneficiary Identification Code (BIC).	0.01
Age	Calculated based on Ticket Mail Date (TKTMAILDDTn) and Date of Birth (DOBBEST).	
Age <25	=1 if age less than 25 at Ticket mail month; 0 otherwise.	0.10
Age 25-29	=1 if age 25 to 29 at Ticket mail month; 0 otherwise.	0.03
Age 30-34	=1 if age 30 to 34 at Ticket mail month; 0 otherwise.	0.04
Age 35-39	=1 if age 35 to 39 at Ticket mail month; 0 otherwise.	0.06
Age 40-44	=1 if age 40 to 44 at Ticket mail month; 0 otherwise.	0.10
Age 45-49	=1 if age 45 to 49 at Ticket mail month; 0 otherwise.	0.13
Age 50-54	=1 if age 50 to 54 at Ticket mail month; 0 otherwise.	0.17
Age unknown	=1 if unable to determine age at Ticket mail month; 0 otherwise.	0.00
Omitted: Age 55+	Age 55 and over at Ticket mail month.	0.35
Sex	Based on Male Indicator (MALE)	
Male	= 1 if male; 0 otherwise.	0.52
Sex unknown	=1 if unable to determine sex; 0 otherwise.	0.00
Omitted: Female	Sex is female.	0.48
Former SSI Child	=1 if received SSI as a child; 0 otherwise. Calculated based on T16 First SSI Eligibility Date (MINELGRD) and Date of Birth (DOBBEST)	0.08
Adult Denial	=1 if received a disability claim denial as an adult at any time prior to Ticket mailing; 0 otherwise. Based on Date of Decision (DODECn), Result of Determination (RDTn), Ticket Mail Date (TKTMAILDDTn), and Date of Birth (DOBBEST)	0.46
Primary Diagnosis	Based on Primary Diagnosis (DX1Xyymm, DIG_DIB, MBRDIG1) and Ticket Mail Date (TKTMAILDDTn).	
Affective	=1 if primary diagnosis equals 2960-2969 or 3001-3119; 0 otherwise.	0.14
Schizophrenia	=1 if primary diagnosis equals 2950-2959 or 2980-2989; 0 otherwise.	0.04
Anxiety	=1 if primary diagnosis equals 3000-3019 (excluding 3011) or 3080-3099; 0 otherwise.	0.03
Other mental disorder	=1 if primary diagnosis equals 2900-2949, 2990-2999, 3030-3079, 3100-3109, 3120-3129, 3138-3169, or 3195; 0 otherwise.	0.06
Mental retardation	=1 if primary diagnosis equals 3170-3194 or 3196-3199; 0 otherwise.	0.05
Back Disorder	=1 if primary diagnosis equals 7221-7249; 0 otherwise.	0.14

Table C.1 (continued)

Variable Name	Description	Mean
Musculoskeletal	=1 if primary diagnosis equals 7100-7200 or 7250-7399; 0 otherwise.	0.11
Infectious	=1 if primary diagnosis equals 0110-0119, 0450-0459, 0930-1359, or 1380-1389; 0 otherwise.	0.00
HIV/AIDS	=1 if primary diagnosis equals 0070-0079, 0201-0449, 0540-0559, 0780-0789, or 1360-1369; 0 otherwise.	0.01
Neoplasm	=1 if primary diagnosis equals 1400-2399; 0 otherwise.	0.07
Endocrine	=1 if primary diagnosis equals 2400-2479, 2500-2559, or 2630-2799; 0 otherwise.	0.03
Blood	=1 if primary diagnosis equals 2800-2899; 0 otherwise.	0.00
Visual	=1 if primary diagnosis equals 3610-3699 or 3780-3789; 0 otherwise.	0.02
Hearing	=1 if primary diagnosis equals 3890-3899; 0 otherwise.	0.01
Speech	=1 if primary diagnosis equals 7840-7849; 0 otherwise.	0.00
Nervous system	=1 if primary diagnosis equals 3200-3419, 3430-3599, or 3860-3889; 0 otherwise.	0.06
Circulatory	=1 if primary diagnosis equals 3420-3429, 3750-3759, or 3900-4599; 0 otherwise.	0.10
Respiratory	=1 if primary diagnosis equals 4600-4869, 4910-5199, or 7690-7699; 0 otherwise.	0.04
Digestive	=1 if primary diagnosis equals 5200-5799; 0 otherwise.	0.02
Genitourinary	=1 if primary diagnosis equals 5800-6299; 0 otherwise.	0.02
Skin	=1 if primary diagnosis equals 6900-7099; 0 otherwise.	0.00
Congenital	=1 if primary diagnosis equals 7400-7599; 0 otherwise.	0.00
Injuries	=1 if primary diagnosis equals 8000-9599; 0 otherwise.	0.03
Other diagnosis	=1 if primary diagnosis equals 0000-0069, 0680-0689, 2480-2499, 2580-2589, 3130, 4880-4889, 6300-6889, 7600-7689, 7740-7849, 7850-7959, or 9840-9849; 0 otherwise	0.02
Omitted: Unknown diagnosis	Unable to determine primary diagnosis.	0.01
Regulation Basis Code	Regulation basis code for decision occurring on closest date prior to Ticket mailing. Based on Ticket Mailing Date (TKTMAILDDTn), Date of Decision (DODECn), Regulation Basis Code (RBn), Result of Determination (RDTn), and Program Identification (RIDn).	
Meets listing	=1 if regulation basis code is Meets Listing; 0 otherwise.	0.26
Equals listing	=1 if regulation basis code is Equals Listing; 0 otherwise.	0.04
Medical/vocational	=1 if regulation basis code is medical/vocational or medical/vocation plus arduous work; 0 otherwise.	0.31
CDR	=1 if decision occurring on closest date prior to Ticket mailing was a CDR; 0 otherwise.	0.02
Reg basis code unknown	= 1 if regulation basis code is unknown and decision was not a CDR; 0 otherwise.	0.07
Omitted: Other regulation basis code	Regulation basis code can be determined but is not meets listing, equals listing, medical/vocational, or medical/vocational plus arduous work, and the decision occurring on the closest date prior to Ticket mailing was not a CDR.	0.30
Award Level	Award level for decision occurring on closest date prior to Ticket mailing. Based on Ticket Mailing Date (TKTMAILDDTn), Date of Decision (DODECn), and Level of Adjudication (JUDLVLn).	
Initial	=1 if award level was initial; 0 otherwise.	0.72
Recon	=1 if award level was reconsideration; 0 otherwise.	0.26
ALJ or above	=1 if award level was ALJ or higher; 0 otherwise.	0.01
Omitted: Other award level	Award level is not initial, reconsideration, or ALJ and above.	0.01

Table C.1 (continued)

Variable Name	Description	Mean
Education	Years of education. Based on Ticket Mailing Date (TKTMAILDDTn) and Education Level (EDXyymm).	
Education 0-8	=1 if years of education equal 0 to 8; 0 otherwise.	0.09
Education 9-12	=1 if years of education equal 9 to 12; 0 otherwise.	0.51
Education >12	=1 if years of education greater than 12; 0 otherwise.	0.19
Omitted: Education unknown	Years of education unknown.	0.21
Race	Race based on Race or Ethnicity (RACE).	
Black	=1 if race is black; 0 otherwise.	0.21
Hispanic	=1 if race is Hispanic; 0 otherwise.	0.19
Other race	=1 if race is not black, white, or Hispanic; 0 otherwise.	0.04
Race unknown	=1 if race is unknown; 0 otherwise.	0.02
Omitted: White	Race is white.	0.64
Primary Insurance Amount	Primary insurance amount at Ticket mail month. Based on Primary Insurance Amount (PIAn) and PIA Effective Date (PIEDn).	
PIA missing	=1 if primary insurance amount is missing at Ticket mail month; 0 otherwise.	0.28
PIA 1-499	=1 if primary insurance amount is 1 to 499 at Ticket mail month; 0 otherwise.	0.06
PIA 500-999	=1 if primary insurance amount is 500 to 999 at Ticket mail month; 0 otherwise.	0.33
PIA 1000-1499	=1 if primary insurance amount is 1,000 to 1,499 at Ticket mail month; 0 otherwise.	0.21
PIA 1500-1999	=1 if primary insurance amount is 1,500 to 1,999 at Ticket mail month; 0 otherwise.	0.11
Omitted: PIA 2000+	Primary insurance amount is 2,000 or greater at Ticket mail month.	0.00
Dependent Benefit	=1 if receiving DI dependent benefits; 0 otherwise. Based on Ticket Mail Date (TKTMAILDDTn) and DI Dependent Benefit Due (DUEOyymm)	0.01
Months Since Earliest Disability Onset	Months since earliest date of disability onset as of Ticket mail month. Calculated based on T16 First SSI Eligibility Date (MINELGRD), T2 Date of Disability Onset (DDO1), and Ticket Mail Date (TKTMAILDDTn).	
Onset 0-12	=1 if months since earliest date of disability onset equals 0 to 12 at Ticket mail month; 0 otherwise.	0.28
Onset 13-24	=1 if months since earliest date of disability onset equals 13 to 24 at Ticket mail month; 0 otherwise.	0.14
Onset 25-36	=1 if months since earliest date of disability onset equals 25 to 36 at Ticket mail month; 0 otherwise.	0.10
Onset 37-48	=1 if months since earliest date of disability onset equals 37 to 48 at Ticket mail month; 0 otherwise.	0.09
Onset 49-60	=1 if months since earliest date of disability onset equals 49 to 60 at Ticket mail month; 0 otherwise.	0.06
Onset missing	= 1 if months since earliest date of disability onset unknown; 0 otherwise.	0.01
Omitted: Onset >60	Earliest date of disability onset is more than 60 months prior to Ticket mail month.	0.32
Months Since First Decision After Age 18	Months since first decision after age 18 as of Ticket mail month. Calculated based on Date of Decision (DODECn), Date of Birth (DOBBEST), and Ticket Mail Date (TKTMAILDDTn).	
Adult decision 0-12	=1 If months since first decision after age 18 equals 0 to 12 at Ticket mail month; 0 otherwise.	0.49
Adult decision 13-24	=1 If months since first decision after age 18 equals 13 to 24 at Ticket mail month; 0 otherwise.	0.12
Adult decision 25-36	=1 If months since first decision after age 18 equals 25 to 26 at Ticket mail month; 0 otherwise.	0.09
Adult decision 37-48	=1 If months since first decision after age 18 equals 37 to 48 at Ticket mail month; 0 otherwise.	0.06
Adult decision 49-60	=1 If months since first decision after age 18 equals 49 to 60 at Ticket mail month; 0 otherwise.	0.03
Adult decision unknown	=1 if months since first decision after age 18 unknown; 0 otherwise.	0.03

Table C.1 (continued)

Variable Name	Description	Mean
Omitted: Adult decision>60	First decision after age 18 is more than 60 months prior to Ticket mail month.	0.19
Representative Payee Status	= 1 if in representative payee status; 0 otherwise. Based on Representative Payee Indicator - T2 (REPPYSSD) and Representative Payee Indicator - T16 (REPPYSSI).	0.18
STW for at least one month during 48 months after Ticket Mailing	= 1 if SSI or DI benefits were suspended or terminated due to work for at least one month within 48 months of Ticket mail date; 0 otherwise. Based on Left Due to Work Indicators (LDWDlyymm and LDWSSlyymm) and Ticket Mail Date (TKTMAILDDTn).	0.06
48-Month Ticket Assignment	= 1 if assigned a Ticket within 48 months of Ticket mail date; 0 otherwise. Based on Ticket Mail Date (TKTMAILDDTn) and Ticket Assignment Date (TKTASGNDDTn).	0.04
48-Month Ticket Assignment and STW	= 1 if assigned a Ticket and had SSI or DI benefits suspended or terminated due to work for at least one month within 48 months of Ticket mail date; 0 otherwise. Based on Left Due to Work Indicators (LDWDlyymm and LDWSSlyymm), Ticket Mail Date (TKTMAILDDTn), and Ticket Assignment Date (TKTASGNDDTn).	0.01

Table C.2. Sample Characteristics

	Number	Percent
Total	1,071,490	100.0
Program/Type of Benefit		
SSI-only	300,466	28.0
Concurrent	264,582	24.7
DI-only	496,270	46.3
Program status unknown	10,172	0.9
DWB	8,249	0.8
DAC	22,791	2.1
Age		
Age 24 or less	111,339	10.4
Age 25-29	37,290	3.5
Age 30-34	47,538	4.4
Age 35-39	68,571	6.4
Age 40-44	105,393	9.8
Age 45-49	137,309	12.8
Age 50-54	186,075	17.4
Age 55+	376,790	35.2
Age unknown	1,185	0.1
Sex		
Male	554,982	51.8
Female	514,063	48.0
Sex unknown	2,445	0.2
Previous Denial/SSI Child		
Previous adult claim denial	488,076	45.6
Former SSI child recipient	86,143	8.0
Has Representative Payee		
	192,480	18.0
Primary Diagnosis		
Affective	148,119	13.8
Schizophrenia	42,061	3.9
Anxiety	29,832	2.8
Other mental disorder	59,716	5.6
Mental retardation	57,419	5.4
Back	146,878	13.7
Other musculoskeletal	119,439	11.1
Infectious and parasitic diseases	2,981	0.3
HIV/AIDS	11,748	1.1
Neoplasm	76,552	7.1
Endocrine	34,437	3.2
Blood disorders	3,402	0.3
Visual impairment	17,383	1.6
Hearing impairment	5,952	0.6
Speech impairment	908	0.1
Nervous system	60,524	5.6
Circulatory system	104,273	9.7
Respiratory system	40,567	3.8
Digestive system	22,276	2.1
Genitourinary system	21,054	2.0
Skin	2,135	0.2
Congenital anomaly	3,618	0.3
Injuries	37,200	3.5
Other	16,874	1.6
Diagnosis unknown	6,142	0.6
Regulation Basis Code for Current Decision		
Impairment meets listing	283,120	26.4
Impairment equals listing	43,925	4.1

Table C.2 (continued)

	Number	Percent
Impairment equals listing	43,925	4.1
Medical/vocational factors	333,500	31.1
CDR	74,502	7.0
Other regulation basis code	320,248	29.9
Regulation basis code unknown	16,195	1.5
Adjudication Level of Current Decision		
Initial	774,627	72.3
Reconsideration	282,173	26.3
ALJ or above	7224	0.7
Level unknown	7,466	0.7
Education		
0-8 Years	97,708	9.1
9-12 Years	544,586	50.8
13 + Years	206,181	19.2
Education unknown	223,015	20.8
Race		
White	689,750	64.4
Black	228,934	21.4
Hispanic	93,354	8.7
Other	40,136	3.7
Race unknown	19,316	1.8
Primary Insurance Amount (PIA)	719	
PIA 1-499	68,146	6.4
PIA 500-999	356,027	33.2
PIA 1000-1499	219,757	20.5
PIA 1500-1999	121,113	11.3
PIA 2000+	1,840	0.2
PIA missing	304,607	28.4
DI dependent benefits	10,490	1.0
Months Since Earliest Disability Onset		
0-12 months	294,725	27.5
13-24 months	150,246	14.0
25-36 months	111,250	10.4
37-48 months	100,893	9.4
49-60 months	65,041	6.1
61 + months	339,054	31.6
Months since onset unknown	10,281	1.0
Months Since First Decision after Age 18		
0-12 months	525,722	49.1
13-24 months	124,698	11.6
25-36 months	97,244	9.1
37-48 months	62,530	5.8
49-60 months	31,677	3.0
61 + months	201,292	18.8
Months since first adult decision unknown	28,327	2.6
Ticket Assigned in 48 Months After Mailing	37,558	3.5
STW for at Least One Month In 48 Months After Ticket Mailing	63,275	5.9

Source: Analysis of 2005 Ticket mailings based on the TRF 2009.

Sample size = 1,071,490.

month. These variables include the Disabled Widow(er) Beneficiary (DWB) indicator, the Disabled Adult Child (DAC) indicator, and representative payee status. Although these variables reflect the 2009 status of the 2005 Ticket mailing cohort members, we do not expect these variables to have changed for most beneficiaries between 2005 and 2009.

C Descriptive and Multivariate Findings

1. Descriptive Analyses

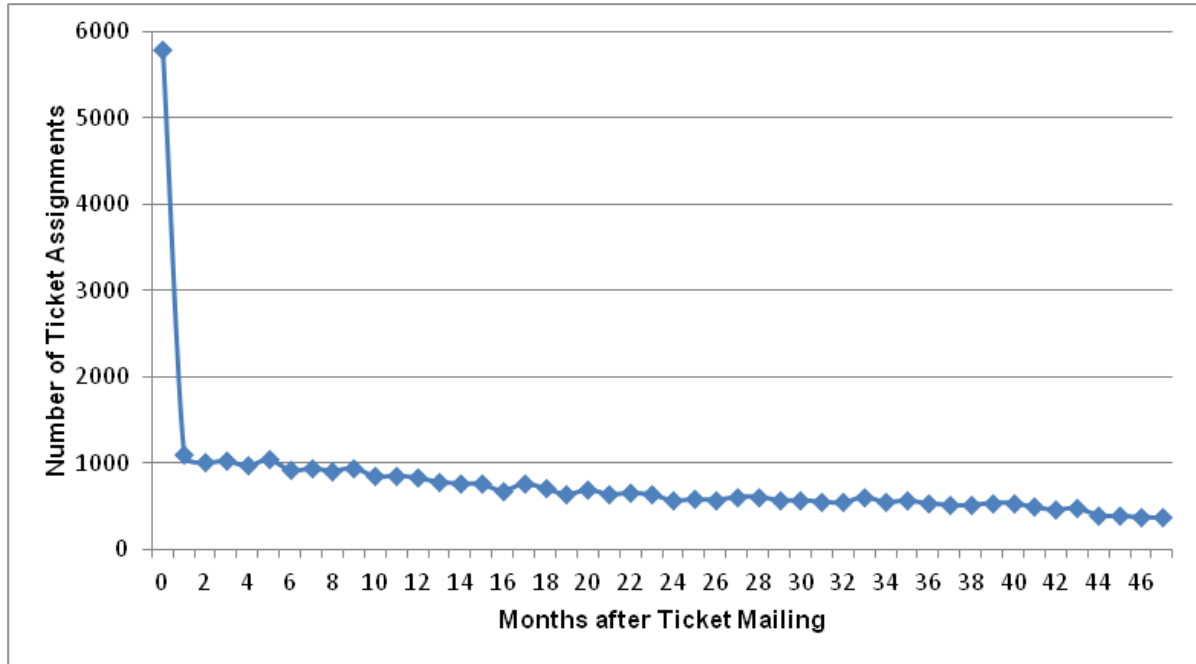
a. Distribution of Ticket Assignments by Month After Mailing

Figure C.1 shows the distribution of Ticket assignment by month for the 48 months including and following the Ticket mail month (month 0). As noted previously, we are interested in the timing of Ticket assignments to assess whether the Ticket mailing might be timed to occur more closely to the time when beneficiaries first use their Tickets. As shown in Figure C.1, a very large number of Ticket assignments occur in the Ticket mailing month (month 0). The percentage falls precipitously in the second month, and then declines very slowly for the remainder of the 48 months. The large number of assignments in month 0 is surprising. We would have expected it to take some time for beneficiaries to obtain information about the providers in their areas, contact those providers, and ultimately assign the Ticket. We originally believed that the large number of Ticket assignments in month 0 might be an artifact of the Ticket assignment process where, for some cases, the assignment is made retroactively and dated to the Ticket mail date. We hypothesized that this might be a more significant issue for assignments to SVRAs if a large number of new beneficiaries were already being served by the SVRAs at the time they became eligible for SSI/DI. However, as shown in Figures C.2 and C.3, a similar pattern is also evident for Tickets assigned to ENs. From discussions with SSA staff, we learned that a variety of factors can delay the Ticket mailing after the award decision is made. These factors relate to gathering additional information needed to finalize and administer the award and determine that the beneficiary is indeed Ticket-eligible. The time required to finalize the award can vary substantially across beneficiaries, but beneficiaries may be notified that they are medically eligible for benefits in advance of receiving their formal award. Some beneficiaries may already be working with providers when they are notified of their medical eligibility, and these providers might initiate the Ticket assignment process even before the Ticket is mailed.

Another feature of the EN graphic (Figure C.2) is that the number of assignments to ENs starts to rise in about month 30. We think this reflects the July 2008 change in Ticket regulations; July 2008 is the 31st month after December 2005, the last month in which the Tickets in our sample were mailed. That this increase only applies to Tickets assigned to EN might reflect: greater willingness of ENs to accept Tickets under the new regulations; elimination under the new regulations of the need for SVRAs to accept Tickets in order to obtain payment under the traditional payment system; or the introduction of Partnership Plus, which allowed SVRA clients served under the traditional payment system to assign their Tickets to EN under a modified milestone-outcome or outcome-only payment system.

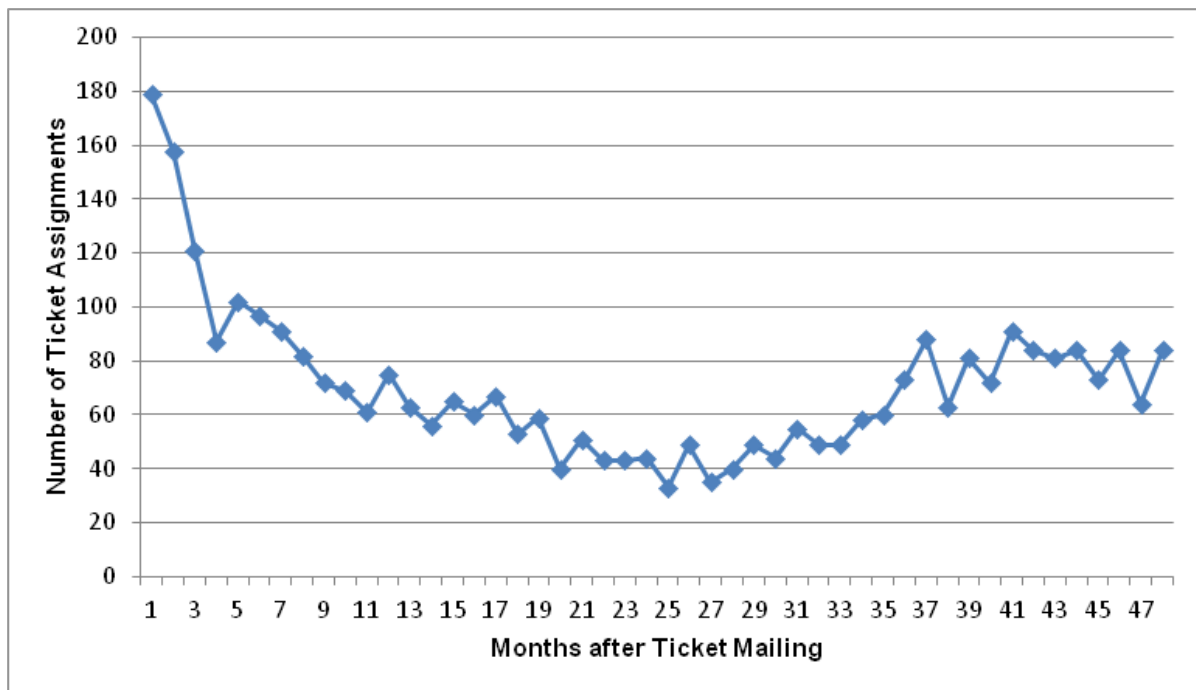
Given the pattern of assignments we observe during the months following the Ticket mail month, there does not appear to be a rationale for waiting or otherwise attempting to strategically time the Ticket mailing.

Figure C.1. Distribution of All Ticket Assignments by Month During 48 Months After 2005 Ticket Mailing



Source: Analysis of 2005 Ticket mailings based on the TRF 2009. Sample size = 1,071,490.

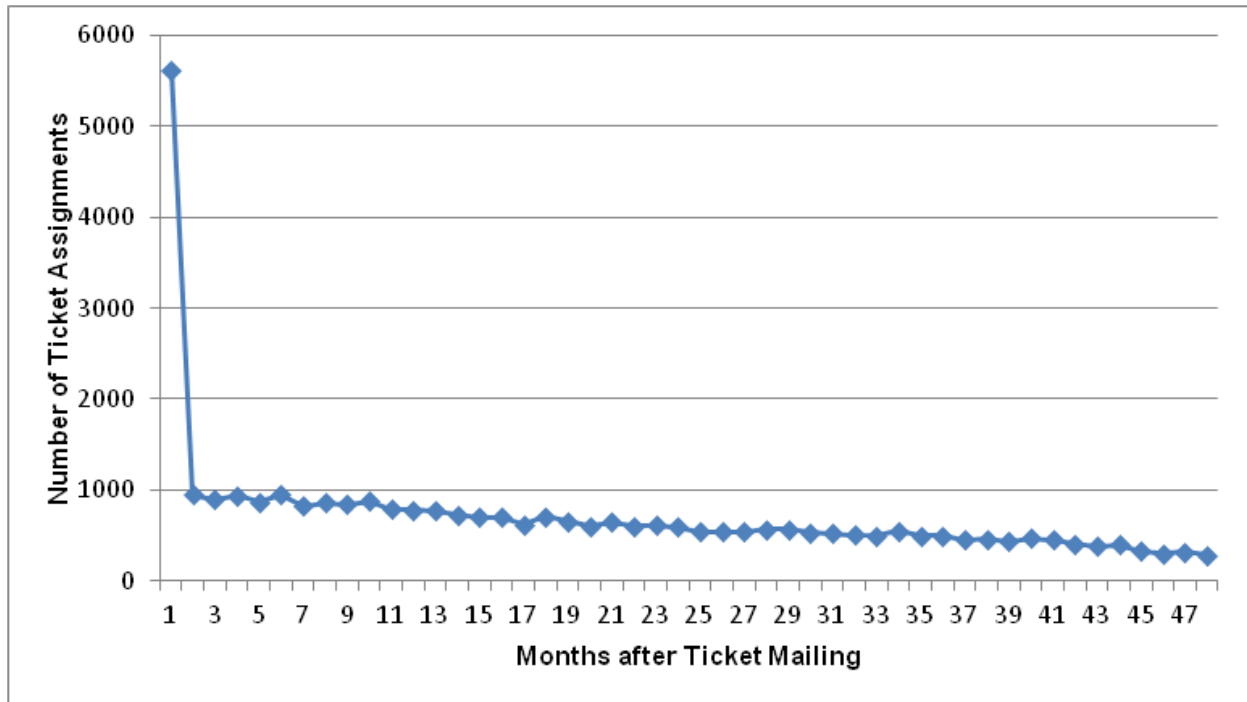
Figure C.2. Distribution of EN Ticket Assignments by Month During 48 Months After 2005 Ticket Mailing



Source: Analysis of 2005 Ticket mailings based on the TRF 2009. Sample size = 1,071,490.

Note: Assignment to state VR agencies under one of the EN payment options are included in the statistics shown.

Figure C.3. Distribution of Ticket Assignments to State VR Agencies Under the Traditional Payment System by Month During 48 Months After 2005 Ticket Mailing



Source: Analysis of 2005 Ticket mailings based on the TRF 2009.

Sample size = 1,071,490.

b. Beneficiary Characteristics Associated with High Assignment Rates

We produced descriptive statistics on Ticket assignment rates (24-month and 48-month rates) for subgroups of beneficiaries with newly assigned Tickets defined by program, age, race, sex, education level, impairment, representative payee status, child SSI recipient status, previous adult SSI/DI beneficiary status, primary insurance amount (PIA), receipt of dependent benefits, adjudicative level of award, regulation basis code, months since earliest date of disability onset, months since first adult claim decision, and representative payee status. The statistics are shown in Table C.3. Focusing on the 48-month assignment rates, we see that beneficiaries in a few groups stand out as having very high assignment rates. Age is strongly associated with Ticket assignment, with the highest assignment rate for the youngest age group, and declining with each consecutively older group. Certain primary diagnoses are also associated with very high or very low assignment rates. Those with certain psychiatric conditions, mental retardation, visual, hearing, and speech impairments, and congenital anomalies were twice or more likely than average to assign a Ticket. Those with a primary diagnosis of neoplasm were highly unlikely to assign a Ticket, with a rate about one-fifth of the average. Other high- and low- assignment rate characteristics are also evident, but variation across these characteristics is not as extreme as variation across the age and primary diagnosis groups.

Because the ultimate goal of TTW is to help beneficiaries work and earn enough to eventually leave SSI/DI benefits, we also show the rates of benefit suspense or termination due to work (STW) and rates of both Ticket assignment and STW for all those who were mailed Tickets. We report the percent that experienced STW during the 48 months after Ticket mailing. With a few exceptions, the patterns are similar to the Ticket assignment pattern—those with high rates of Ticket assignment

Table C.3. Ticket Assignment and STW Rates by Selected Characteristics

	Ticket Assigned by 24th Months after Mailing (%)	Ticket Assigned by 48th Month after Mailing (%)	STW by 48th Month after Mailing (%)	Ticket Assigned <i>and</i> STW by 48th Month after Mailing (%)
Total	2.33	3.51	5.91	0.68
Program/Type of Claim				
SSI-only	3.12	4.73	5.99	0.80
Concurrent	3.04	4.66	12.28	1.42
DI-only	1.51	2.21	2.56	0.23
Program status unknown	0.66	0.94	0.86	0.11
DWB	0.58	0.74	2.42	0.17
DAC	6.74	10.53	10.32	2.08
Age				
Age 24 or less	7.75	11.82	12.97	2.48
Age 25-29	4.66	7.29	13.86	1.83
Age 30-34	3.78	5.76	11.12	1.34
Age 35-39	3.11	4.85	9.09	1.12
Age 40-44	2.64	4.04	6.97	0.75
Age 45-49	1.99	3.03	5.26	0.48
Age 50-54	1.44	2.06	4.01	0.32
Age 55+	0.66	0.89	2.69	0.11
Age unknown	0.00	0.00	0.08	0.00
Sex				
Male	2.43	3.64	5.92	0.73
Female	2.24	3.37	5.91	0.64
Sex unknown	0.33	0.33	0.61	0.00
Previous Denial/SSI Child				
Previous adult claim denial	1.91	2.89	5.86	0.59
Former SSI child recipient	6.61	9.97	12.93	2.16
Has Representative Payee	4.80	7.46	9.23	1.58
Primary Diagnosis				
Affective	3.03	4.72	8.08	0.99
Schizophrenia	4.37	6.91	9.22	1.54
Anxiety	2.46	3.74	6.72	0.76
Other psychiatric disorder	4.34	6.35	8.64	1.38
Mental retardation	5.75	9.12	10.96	1.93
Back	1.12	1.68	3.60	0.24
Other musculoskeletal	1.24	1.84	4.22	0.29
Infectious diseases	2.18	3.15	5.67	0.54
HIV/AIDS	1.69	3.12	8.50	0.60
Neoplasm	0.49	0.70	4.23	0.14
Endocrine	1.18	1.69	4.73	0.26
Blood disorders	2.12	3.53	13.96	1.21
Visual impairment	6.24	8.36	5.93	1.19
Hearing impairment	17.46	24.06	23.98	8.69
Speech impairment	6.50	9.25	8.48	2.53
Nervous system	2.93	4.25	4.88	0.66
Circulatory system	0.95	1.41	3.72	0.21
Respiratory system	0.71	1.02	3.67	0.18
Digestive system	0.87	1.39	4.95	0.22
Genitourinary system	2.06	3.25	7.30	0.58

Table C.3 (continued)

	Ticket Assigned by 24th Months after Mailing (%)	Ticket Assigned by 48th Month after Mailing (%)	STW by 48th Month after Mailing (%)	Ticket Assigned <i>and</i> STW by 48th Month after Mailing (%)
Skin	1.92	3.04	6.14	0.47
Congenital anomaly	7.93	12.82	7.05	1.55
Injuries	3.26	4.49	5.92	0.68
Other	1.80	2.61	5.67	0.51
Diagnosis unknown	1.04	1.42	1.48	0.13
Regulation Basis Code				
Impairment meets listing	3.21	4.84	6.72	0.96
Impairment equals listing	2.39	3.52	5.78	0.66
Medical/vocational factors	1.65	2.43	4.58	0.46
CDR	5.25	7.67	10.75	1.51
Other regulation basis code	1.54	2.43	5.30	0.45
Regulation basis code unknown	3.01	4.38	9.06	1.15
Adjudication Level				
Initial	2.50	3.78	5.98	0.73
Reconsideration	1.82	2.69	5.55	0.52
ALJ or above	1.36	1.88	6.48	0.73
Level unknown	3.45	5.10	8.64	1.29
Education				
0-8 Years	0.80	1.22	3.64	0.23
9-12 Years	2.14	3.24	5.58	0.63
13 + Years	2.68	4.01	6.14	0.77
Education unknown	3.15	4.70	7.46	0.93
Race				
White	2.24	3.32	5.31	0.64
Black	2.62	4.02	7.78	0.81
Hispanic	2.31	3.50	5.97	0.70
Other	2.10	3.30	5.51	0.68
Race unknown	2.79	4.44	5.43	0.82
Primary Insurance Amount (PIA)				
PIA 1-499	2.91	4.32	12.35	1.68
PIA 500-999	2.48	3.75	7.14	0.80
PIA 1000-1499	1.67	2.46	3.90	0.33
PIA 1500-1999	0.90	1.34	2.58	0.15
PIA 2000+	1.14	1.79	5.27	0.38
PIA missing	3.08	4.67	5.79	0.79
DI dependent benefits	2.14	3.53	5.55	0.46
Disability Onset				
0-12 months	2.10	3.12	4.97	0.53
13-24 months	1.75	2.65	4.77	0.45
25-36 months	1.85	2.83	5.30	0.54
37-48 months	2.17	3.21	5.14	0.60
49-60 months	2.10	3.10	5.05	0.60
61 + months	3.09	4.68	7.15	1.02
Months since onset unknown	0.68	0.96	0.87	0.11

Table C.3 (continued)

	Ticket Assigned by 24th Months after Mailing (%)	Ticket Assigned by 48th Month after Mailing (%)	STW by 48th Month after Mailing (%)	Ticket Assigned <i>and</i> STW by 48th Month after Mailing (%)
Months Since First Decision After Age 18				
0-12 months	2.37	3.55	5.13	0.62
13-24 months	1.82	2.80	5.48	0.58
25-36 months	2.04	3.07	5.91	0.61
37-48 months	2.35	3.39	6.25	0.67
49-60 months	2.01	3.02	6.37	0.70
61 + months	2.33	3.50	7.55	0.85
Months since first adult decision unknown	5.22	8.05	9.27	1.39
STW for at Least One Month In 48 Months After Ticket Mailing	8.29	11.57	100.00	11.57

Source: Analysis of 2005 Ticket mailings based on the TRF 2009. Sample size = 1,071,490.

also have higher than average rates of STW. Concurrent beneficiaries and those with visual impairments are among the exceptions. Although concurrent beneficiaries are only twice as likely as DI-only beneficiaries to assign their Tickets, those who assign their Tickets are almost five times as likely as their DI-only counterparts to experience STW. Further, although concurrent beneficiaries are no more likely than SSI-only beneficiaries to assign their Tickets, those who do are about twice as likely to experience STW. Those with visual impairments have very high assignment rates, but are not any more likely than average to experience STW. The result for visual impairments likely reflects the higher substantial gainful activity level applied to blind beneficiaries.

2. Multivariate Analyses

The descriptive statistics on Ticket assignment for particular beneficiary subgroups show which beneficiary characteristics are most predictive of Ticket assignments on their own. To assess the extent to which these characteristics are still significantly predictive of Ticket assignment after holding other characteristics constant, we estimated a series of logit models of the likelihood of Ticket assignment during the 48 months after Ticket mailing. In these models, Ticket assignment is a function of an array of personal characteristics as of the mailing month, including: program, type of claim, age, sex, race, education, impairment, childhood SSI recipient, previous adult beneficiary, adjudicative level of award, regulation basis code, PIA, receipt of DI dependent benefits, representative payee status, time since earliest disability onset, and time since first adult claim decision.²³ The specific models we estimated and present in this appendix include the following:²⁴

- **Full model:** This model is for the likelihood of 48-month Ticket assignment as a function of the full set of explanatory variables.
- **Disability control file (DCF) model:** This model is the same as the full model except that we exclude the few explanatory variables that are not in SSA's DCF. As we anticipate that SSA might use information in the DCF for purposes of the targeting, we wanted to assess the extent to which a targeting algorithm might be affected by being limited to using only information in the DCF. The excluded variables include sex, race, education, PIA, dependent benefits, and representative payee status.
- **Full STW model:** This model is for the likelihood of 48-month Ticket assignment *and* STW as a function of the full set of explanatory variables. The purpose of this model is to assess whether SSA might be able to better target the Ticket mailings to those most likely to both assign a Ticket and leave disability benefits due to work.

²³ State of residence is another variable likely to significantly affect Ticket assignments, primarily due to differences in the Ticket-taking behavior across state VR agencies, but also potentially due to other factors. We did not include this variable in the multivariate models because we believed it unlikely that SSA would develop a targeting algorithm that gave preference to certain states over others.

²⁴ In addition to the models described, we estimated models separately for SSI and DI beneficiaries, separately for older (age 45 and over) and younger (age less than 45) beneficiaries, and a model that included only a subset of explanatory variables that had relatively large and statistically significant coefficients in the full model. None of these models greatly improved the precision of the propensity score targeting algorithm relative to the algorithm based on the full model, and so we do not report the detailed findings for these additional models.

- **DCF STW model:** This model is for the likelihood of 48-month Ticket assignment *and* STW as a function of the more limited set of explanatory variables included in the DCF model.
- **Reduced model:** This model is for the likelihood of 48-month Ticket assignment as a function of a reduced set of explanatory variables that SSA would be most likely to use for purposes of targeting Ticket mailings, that is, characteristics that might be less politically sensitive relative to others for purposes of a Ticket targeting profile. The variables included are: age, regulation basis code, award level, time since disability onset, and time since first adult decision.
- **Reduced STW model:** This model is for the likelihood of 48-month Ticket assignment *and* STW in at least one month as a function of the same reduced set of explanatory variables included in the model above.

The estimates from the above logit models are presented in Tables C.4–C.6. A large number of the variables in each model are statistically significant, reflecting the very large sample sizes, but many significant coefficients are not very large. Many of the characteristics with high assignment rates shown in Table C.3 are still important predictors of Ticket assignment after controlling for other characteristics. Age remains a very strong predictor of Ticket assignment. Selected primary diagnoses also have large and statistically significant coefficients, including neoplasm, speech, hearing and visual impairment. A number of other variables are statistically significant in all models and have moderate size coefficients, including education, adjudication level, time since first adult claim decision, former SSI child, previous adult denial, and selected primary diagnoses in addition to those already noted. As might be expected, program status was a more important predictor in the STW model than in the other models, reflecting the greater likelihood of STW among SSI beneficiaries relative to DI beneficiaries due in part to the structure of the programs. Time since first adult decision was also relatively more important in the STW model than in the other models; the shorter the time since the decision, the less likely one is to assign a Ticket and leave the rolls. This was also true in the other models but the differences in the coefficients across the time categories are not as pronounced.

We assessed the extent to which multicollinearity might be an issue in the full model by calculating the variance inflation factors (VIFs) for the explanatory variables. A few of the variables have very high VIFs indicating a high degree of collinearity with other variables in the model. Those with high VIFs were: PIA (likely correlated with program status), adjudication level (likely correlated with time since first adult decision), and several of the primary diagnosis categories (likely correlated with age, program status, and childhood SSI). Despite the high VIFs, these variables were generally statistically significant in all models. Because they contributed to the predictive power of the models for purposes of targeting the Ticket mailings (discussed in the next section), we did not exclude any variables from the models on the basis of a high VIF.

D. Potential Targeting Approaches

We used the findings of the descriptive and multivariate analyses to develop four potential methods to target Ticket mailings to those beneficiaries most likely to use their Tickets: one based solely on age, the strongest predictor of Ticket assignment, and three methods based on propensity scores calculated from the full, DCF, and STW logit model estimates. For the age group method, we rank ordered beneficiaries by age (youngest to oldest) and then computed the actual assignment

Table C.4. Logit Model Estimates of the Likelihood of 48-Month Ticket Assignment

Variable	Full Model			DCF Model		
	Coefficient	Odds Ratio	Std. Error	Coefficient	Odds Ratio	Std. Error
Intercept	-4.38		0.22	-3.79		0.13
SSI-only	-0.35	0.71	0.05	-0.49	0.61	0.02
DI-only	-0.21	0.81	0.02	-0.18	0.84	0.01
SSI/DI unknown	-1.08	0.34	0.61	-1.03	0.36	0.61
Widow	-0.62	0.54	0.13	-0.73	0.48	0.13
DAC	-0.19	0.83	0.03	-0.28	0.75	0.03
Age <25	2.54	12.67	0.03	2.60	13.40	0.03
Age 25-29	1.77	5.88	0.03	1.86	6.41	0.03
Age 30-34	1.54	4.66	0.03	1.64	5.14	0.03
Age 35-39	1.43	4.17	0.03	1.51	4.53	0.03
Age 40-44	1.31	3.70	0.03	1.38	3.96	0.02
Age 45-49	1.09	2.98	0.02	1.14	3.14	0.02
Age 50-54	0.78	2.18	0.02	0.82	2.26	0.02
Age unknown	-6.57	0.00	33.35	-8.33	<0.001	30.28
Male	0.07	1.07	0.01	Excluded		
Sex unknown	-1.96	0.14	0.36	Excluded		
Former SSI Child	-0.19	0.83	0.02	-0.18	0.83	0.02
Adult Denial	-0.10	0.90	0.02	-0.10	0.90	0.02
Affective	0.15	1.17	0.12	0.19	1.21	0.12
Schizophrenia	0.22	1.24	0.12	0.26	1.30	0.12
Anxiety	-0.09	0.91	0.13	-0.06	0.94	0.12
Other mental disorder	0.26	1.30	0.12	0.28	1.32	0.12
Mental retardation	0.32	1.37	0.12	0.29	1.34	0.12
Back Disorder	-0.23	0.80	0.12	-0.23	0.80	0.12
Musculoskeletal	-0.09	0.91	0.12	-0.07	0.93	0.12
Infectious	0.17	1.19	0.16	0.22	1.25	0.16
HIV/AIDS	-0.29	0.75	0.13	-0.22	0.80	0.13
Neoplasm	-1.35	0.26	0.13	-1.31	0.27	0.13
Endocrine	-0.35	0.71	0.13	-0.33	0.72	0.13
Blood	-0.39	0.67	0.15	-0.34	0.71	0.15
Visual	0.85	2.35	0.13	0.87	2.40	0.12
Hearing	1.72	5.56	0.13	1.75	5.73	0.13
Speech	0.66	1.94	0.17	0.67	1.95	0.17
Nervous system	0.15	1.16	0.12	0.19	1.21	0.12
Circulatory	-0.35	0.70	0.12	-0.34	0.71	0.12
Respiratory	-0.69	0.50	0.13	-0.69	0.50	0.13
Digestive	-0.73	0.48	0.13	-0.69	0.50	0.13
Genitourinary	-0.10	0.90	0.13	-0.05	0.96	0.13
Skin	-0.13	0.88	0.18	-0.09	0.91	0.18
Congenital	0.61	1.85	0.13	0.62	1.85	0.13
Injuries	0.34	1.41	0.12	0.36	1.44	0.12
Other diagnosis	-0.06	0.94	0.13	-0.04	0.96	0.13
Meets listing	0.28	1.32	0.02	0.28	1.32	0.02
Equals listing	0.29	1.34	0.03	0.31	1.36	0.03
Medical/vocational	0.20	1.22	0.02	0.19	1.20	0.02
Reg basis code unknown	-0.52	0.60	0.05	-0.53		0.05
CDR	0.32	1.38	0.03	0.28	0.59	0.02
Initial	-0.52	0.59	0.05	-0.52	1.33	0.05
Recon	-0.48	0.62	0.05	-0.48	0.60	0.05
ALJ and above	-0.81	0.45	0.24	-0.85	0.62	0.24
Education 0-8	-0.76	0.47	0.03	Excluded	0.43	
Education 9-12	0.01	1.01	0.02	Excluded		
Education >12	0.57	1.76	0.02	Excluded		
Race unknown	0.07	1.07	0.04	Excluded		
Black	-0.01	0.99	0.01	Excluded		

Table C.4 (continued)

Variable	Full Model			DCF Model		
	Coefficient	Odds Ratio	Std. Error	Coefficient	Odds Ratio	Std. Error
Hispanic	-0.12	0.89	0.02	Excluded		
Other race	-0.09	0.91	0.03	Excluded		
PIA missing	0.51	1.67	0.18	Excluded		
PIA 1-499	0.46	1.59	0.18	Excluded		
PIA 500-999	0.65	1.91	0.18	Excluded		
PIA 1000-1499	0.55	1.74	0.18	Excluded		
PIA 1500-1999	0.15	1.16	0.18	Excluded		
Dependent Benefit	-0.05	0.95	0.05	Excluded		
Onset 0-12	0.03	1.04	0.02	0.03	1.03	0.02
Onset 13-24	-0.11	0.90	0.03	-0.12	0.89	0.03
Onset 25-36	-0.09	0.91	0.03	-0.10	0.90	0.03
Onset 37-48	-0.04	0.96	0.03	-0.05	0.95	0.03
Onset 49-60	-0.08	0.93	0.03	-0.08	0.92	0.03
Onset unknown	0.29	1.33	0.60	0.24	1.27	0.60
Adult decision 0-12	-0.25	0.78	0.03	-0.21	0.81	0.03
Adult decision 13-24	-0.21	0.81	0.03	-0.20	0.82	0.03
Adult decision 25-36	-0.20	0.82	0.03	-0.21	0.81	0.03
Adult decision 37-48	-0.13	0.88	0.03	-0.14	0.87	0.03
Adult decision 49-60	-0.28	0.76	0.04	-0.29	0.75	0.04
Adult decision unknown	-0.52	0.59	0.03	-0.46	0.63	0.03
Rep payee	0.03	1.03	0.02	Excluded		

Source: Analysis of 2005 Ticket mailings based on the TRF 2009.

Note: Bold type indicates statistical significance at the 0.05 level.

Sample size = 1,071,490.

Table C.5. Logit Model Estimates of the Likelihood of 48-Month Ticket Assignment and STW*

Variable	Full STW Model			DCF STW Model		
	Coefficient	Odds Ratio	Std. Error	Coefficient	Odds Ratio	Std. Error
Intercept	-5.07		0.56	-5.04		0.40
SSI-only	-0.76	0.47	0.12	-1.20	0.30	0.03
DI-only	-1.14	0.32	0.04	-1.19	0.31	0.04
SSI/DI unknown	8.12	>999.9	289.50	7.14	>999.99	180.80
Widow	-0.34	0.71	0.27	-0.51	0.60	0.27
DAC	-0.54	0.58	0.06	-0.71	0.49	0.06
Age <25	2.67	14.38	0.06	2.79	16.28	0.06
Age 25-29	1.91	6.77	0.07	2.03	7.61	0.07
Age 30-34	1.69	5.42	0.07	1.80	6.05	0.07
Age 35-39	1.64	5.17	0.06	1.73	5.63	0.06
Age 40-44	1.35	3.87	0.06	1.42	4.13	0.06
Age 45-49	1.04	2.83	0.06	1.09	2.97	0.06
Age 50-54	0.82	2.27	0.06	0.86	2.36	0.06
Age unknown	-4.21	0.02	108.80	-7.81	<0.001	75.48
Male	0.13	1.14	0.03	Excluded		
Sex unknown	-10.32	<0.001	60.34	Excluded		
Former SSI Child	-0.10	0.90	0.05	-0.14	0.87	0.05
Adult Denial	-0.31	0.73	0.04	-0.32	0.73	0.04
Affective	0.46	1.59	0.38	0.51	1.67	0.38
Schizophrenia	0.51	1.66	0.39	0.58	1.78	0.38
Anxiety	0.22	1.25	0.39	0.26	1.30	0.38
Other mental disorder	0.70	2.02	0.38	0.72	2.05	0.38
Mental retardation	0.76	2.14	0.38	0.72	2.06	0.38
Back Disorder	-0.05	0.95	0.39	-0.05	0.95	0.38
Musculoskeletal	0.14	1.15	0.39	0.16	1.18	0.38
Infectious	0.44	1.56	0.46	0.50	1.64	0.45
HIV/AIDS	-0.03	0.97	0.40	0.06	1.06	0.40
Neoplasm	-0.70	0.50	0.39	-0.63	0.54	0.39
Endocrine	-0.27	0.77	0.40	-0.23	0.79	0.39
Blood	0.49	1.63	0.41	0.56	1.76	0.41
Visual	0.82	2.28	0.39	0.88	2.40	0.39
Hearing	2.46	11.74	0.39	2.52	12.38	0.38
Speech	1.39	4.02	0.44	1.41	4.08	0.44
Nervous system	0.36	1.44	0.39	0.42	1.51	0.38
Circulatory	-0.18	0.84	0.39	-0.16	0.85	0.38
Respiratory	-0.35	0.71	0.40	-0.34	0.71	0.40
Digestive	-0.54	0.58	0.41	-0.49	0.62	0.40
Genitourinary	0.24	1.27	0.39	0.32	1.38	0.39
Skin	-0.05	0.95	0.50	0.00	1.00	0.49
Congenital	0.55	1.74	0.41	0.56	1.75	0.40
Injuries	0.41	1.51	0.39	0.46	1.58	0.38
Other diagnosis	0.32	1.38	0.40	0.36	1.43	0.39
Meets listing	0.26	1.29	0.04	0.26	1.30	0.04
Equals listing	0.30	1.35	0.07	0.32	1.38	0.07
Medical/vocational	0.28	1.32	0.04	0.27	1.32	0.04
Reg basis code unknown	-0.14	0.87	0.10	-0.13	0.88	0.09
CDR	0.41	1.50	0.06	0.38	1.46	0.05
Initial	-0.60	0.55	0.09	-0.60	0.55	0.09
Recon	-0.52	0.60	0.09	-0.53	0.59	0.09
ALJ and above	-0.19	0.83	0.39	-0.23	0.79	0.39
Education 0-8	-0.78	0.46	0.08	Excluded		
Education 9-12	-0.01	0.99	0.04	Excluded		
Education >12	0.65	1.91	0.04	Excluded		
Race unknown	0.05	1.05	0.08	Excluded		
Black	-0.04	0.96	0.03	Excluded		

Table C.5 (continued)

Variable	Full STW Model			DCF STW Model		
	Coefficient	Odds Ratio	Std. Error	Coefficient	Odds Ratio	Std. Error
Hispanic	-0.10	0.91	0.04	Excluded		
PIA missing	-0.35	0.71	0.40	Excluded		
PIA 1-499	0.17	1.18	0.38	Excluded		
PIA 500-999	-0.01	0.99	0.38	Excluded		
PIA 1000-1499	-0.26	0.77	0.38	Excluded		
PIA 1500-1999	-0.57	0.56	0.39	Excluded		
Dependent Benefit	-0.41	0.66	0.15	Excluded		
Onset 0-12	0.12	1.13	0.05	0.10	1.10	0.05
Onset 13-24	-0.10	0.91	0.06	-0.12	0.89	0.06
Onset 25-36	-0.06	0.94	0.06	-0.08	0.93	0.06
Onset 37-48	-0.03	0.97	0.06	-0.03	0.97	0.06
Onset 49-60	-0.05	0.95	0.06	-0.05	0.95	0.06
Onset unknown	-9.64	<0.001	289.50	-8.80	<0.001	180.80
Adult decision 0-12	-0.73	0.48	0.05	-0.71	0.49	0.05
Adult decision 13-24	-0.34	0.71	0.06	-0.35	0.70	0.06
Adult decision 25-36	-0.36	0.70	0.06	-0.38	0.68	0.06
Adult decision 37-48	-0.28	0.76	0.07	-0.30	0.74	0.07
Adult decision 49-60	-0.31	0.73	0.08	-0.33	0.72	0.08
Adult decision unknown	-1.13	0.32	0.07	-1.10	0.33	0.07
Rep payee	-0.02	0.98	0.03	Excluded		

Source: Analysis of 2005 Ticket mailings based on the TRF 2009.

Notes: Bold type indicates statistical significance at the 0.05 level.

The dependent variable is the likelihood of both a Ticket assignment and at least one STW month during the 48 months after Ticket mailing.

Sample size = 1,071,490.

Table C.6. Logit Model Estimates of the Likelihood of 48-Month Ticket Assignment and Ticket Assignment with STW

Variable	Reduced Model			Reduced STW Model*		
	Coefficient	Odds Ratio	Std. Error	Coefficient	Odds Ratio	Std. Error
Intercept	-4.14		0.05	-5.87		0.11
Age <25	2.75	15.70	0.02	3.26	25.98	0.06
Age 25-29	2.13	8.44	0.03	2.70	14.92	0.06
Age 30-34	1.89	6.61	0.03	2.38	10.76	0.06
Age 35-39	1.72	5.60	0.03	2.21	9.15	0.06
Age 40-44	1.54	4.68	0.02	1.82	6.19	0.06
Age 45-49	1.26	3.51	0.02	1.39	4.01	0.06
Age 50-54	0.87	2.38	0.02	1.02	2.78	0.06
Meets listing	0.38	1.46	0.02	0.47	1.60	0.04
Equals listing	0.25	1.29	0.03	0.34	1.41	0.07
Medical/vocational	0.28	1.33	0.02	0.43	1.54	0.04
Reg basis code unknown	-0.59	0.56	0.05	-0.19	0.83	0.09
CDR	0.29	1.34	0.02	0.34	1.40	0.05
Initial	-0.61	0.54	0.04	-0.73	0.48	0.09
Recon	-0.60	0.55	0.05	-0.73	0.48	0.09
ALJ and above	-0.89	0.41	0.24	-0.36	0.70	0.39
Onset 0-12	-0.03	0.97	0.02	-0.05	0.95	0.04
Onset 13-24	-0.06	0.94	0.02	-0.09	0.91	0.05
Onset 25-36	-0.05	0.95	0.02	-0.07	0.94	0.05
Onset 37-48	0.00	1.00	0.02	-0.07	0.93	0.05
Onset 49-60	-0.04	0.97	0.03	-0.08	0.92	0.06
Onset unknown	-0.92	0.40	0.10	-1.35	0.26	0.30
Adult decision 0-12	-0.20	0.82	0.02	-0.63	0.53	0.05
Adult decision 13-24	-0.21	0.81	0.03	-0.36	0.70	0.06
Adult decision 25-36	-0.22	0.81	0.03	-0.40	0.67	0.06
Adult decision 37-48	-0.17	0.84	0.03	-0.39	0.68	0.07
Adult decision 49-60	-0.32	0.73	0.04	-0.40	0.67	0.08
Adult decision unknown	-0.52	0.60	0.03	-1.10	0.33	0.07

Source: Analysis of 2005 Ticket mailings based on the TRF 2009.

Notes: Bold type indicates statistical significance at the 0.05 level.

The dependent variable for the Reduced STW Model is the likelihood of both a Ticket assignment and at least one STW month during the 48 months after Ticket mailing.

Sample size = 1,071,490.

rates for the youngest to oldest quintiles between 20 and 50 percent, and for deciles above 50 percent. For the propensity score methods, we computed a probability of Ticket assignment for each beneficiary based on each of three logit models, rank ordered beneficiaries based on that probability (highest to lowest), and computed the actual assignment rates for each quintile between 20 and 50 percent, and for each decile above 50 percent. Table C.7 presents the outcomes of the four methods.

For each model, we focus on the percentage of Ticket users who would have been mailed a Ticket had SSA only mailed Tickets to those in the model's two top deciles (that is, the top 20 percent). With the exception of the reduced models, the propensity score methods perform somewhat better than the age group method, but the differences are not great. For example, if SSA had targeted only the youngest 20 percent of new beneficiaries (those under age 37 in our sample) during this period, SSA would have sent Tickets to only 52 percent of those who ultimately assigned their Tickets in the 48-month period. The full propensity score model achieves the highest percentage, 58 percent, but the six percentage-point gain seems relatively modest, given the complexity of the propensity score method, as well as the inclusion in that model of predictors that might not be acceptable for equity or other reasons (for example, sex and race). The reduced model performs less well than the full model, and about the same as the age group model. Under that model, SSA would have sent Tickets to 53 percent of those who assigned their Tickets in the next 48 months.

We also show the shares of beneficiaries who both assign their Tickets and experience STW during the 48 months after Ticket mailing under each of the targeting scenarios. All of the models considered are more successful at targeting those most likely to both assign their Tickets and have an STW month than they are at targeting those most likely to assign their Ticket alone. For instance, under the age group model, SSA would have sent Tickets to 58 percent of those who assigned their Tickets and had an STW month, compared with 52 percent of all who assigned their Tickets. As expected, the best model for this purpose is the full propensity score model that focuses on predicting the combination of assignment and STW. Those ranked in the top 20 percent by the STW model include almost 70 percent of those who assigned a Ticket and experienced STW. Of course, the STW model does less well than the other propensity score methods in predicting Ticket assignments alone. Those in the top 20 percent for this model include only 55 percent of those who assigned their Tickets, compared with 58 percent under the full model. The reduced STW model does no better than the reduced Ticket assignment model in terms of capturing STW assignments, suggesting that some of the variables excluded from the reduced models are important predictors of STW assignments.

While there is some variation in the ability of the methods to capture Ticket assignments and Ticket assignments with STW with only targeting a subset of beneficiaries, the variation is not great. As noted previously, the simple age group model performs less well than the propensity score methods, but the trade-offs in terms of implementation complexity might outweigh the gains from the more technically demanding propensity score methods. It is possible that we could develop a model that performs better than the full propensity score model for assignments (for example, by considering interactions of age with various other characteristics), but it seems unlikely that any gains in performance will be large.

Table C.7. Percent of 48-Month Ticket Assignments Captured by Different Targeting Approaches

Rank-Ordered Share of All Potential Mailings	Percent of All Assignments	Percent of STW Assignments
Target Youngest Age Groups*		
20 Percent (Age < 37)	51.9	58.4
25 Percent (Age < 41)	58.6	66.4
30 Percent (Age < 43)	64.7	72.5
35 Percent (Age < 46)	70.2	77.3
40 Percent (Age < 48)	74.8	81.1
45 Percent (Age < 50)	78.9	84.3
50 Percent (Age < 51)	82.6	87.5
60 Percent (Age < 54)	88.8	92.3
70 Percent (Age < 56)	93.1	95.5
80 Percent (Age < 58)	96.5	97.9
90 Percent (Age < 61)	98.9	99.3
100 Percent	100.0	100.0
Propensity Score: Full Model		
20 Percent	57.9	66.9
25 Percent	64.9	73.2
30 Percent	70.8	78.4
35 Percent	75.7	82.7
40 Percent	80.0	85.9
45 Percent	83.6	88.8
50 Percent	86.8	91.1
60 Percent	91.6	94.4
70 Percent	95.1	96.6
80 Percent	97.5	98.4
90 Percent	99.1	99.4
100 Percent	100.0	100.0
Propensity Score: DCF Model		
20 Percent	56.5	65.5
25 Percent	63.3	71.7
30 Percent	69.1	77.4
35 Percent	74.1	81.6
40 Percent	78.6	84.9
45 Percent	82.4	87.8
50 Percent	85.7	90.3
60 Percent	90.6	93.6
70 Percent	94.2	96.0
80 Percent	96.8	97.8
90 Percent	98.7	99.2
100 Percent	100.0	100.0
Propensity Score: Reduced Model		
20 Percent	52.8	60.5
25 Percent	59.6	67.7
30 Percent	65.7	73.1
35 Percent	70.9	78.0
40 Percent	75.5	81.8
45 Percent	79.6	85.4
50 Percent	82.9	88.0
60 Percent	89.2	93.0
70 Percent	93.6	95.9
80 Percent	96.3	97.4
90 Percent	97.7	98.3
100 Percent	100.0	100.0

Table C.7 (continued)

Rank-Ordered Share of All Potential Mailings	Percent of All Assignments	Percent of STW Assignments
Propensity Score: STW Model		
20 Percent	55.2	69.5
25 Percent	62.5	75.8
30 Percent	68.6	80.5
35 Percent	73.9	84.3
40 Percent	78.4	87.7
45 Percent	82.3	90.2
50 Percent	85.7	92.2
60 Percent	91.2	95.5
70 Percent	94.8	97.5
80 Percent	97.4	98.9
90 Percent	99.0	99.6
100 Percent	100.0	100.0
Propensity Score: DCF STW Model		
20 Percent	53.8	67.7
25 Percent	61.0	74.1
30 Percent	67.1	79.1
35 Percent	72.4	82.9
40 Percent	76.9	86.3
45 Percent	81.0	88.9
50 Percent	84.6	91.2
60 Percent	90.3	95.1
70 Percent	94.1	96.9
80 Percent	96.8	98.5
90 Percent	98.8	99.5
100 Percent	100.0	100.0
Propensity Score: Reduced STW Model		
20 Percent	52.4	60.8
25 Percent	59.8	68.3
30 Percent	65.4	74.0
35 Percent	70.8	78.3
40 Percent	75.0	81.9
45 Percent	79.7	85.6
50 Percent	83.0	88.4
60 Percent	89.1	93.0
70 Percent	93.3	96.1
80 Percent	96.8	98.0
90 Percent	98.1	98.8
100 Percent	100.0	100.0

Source: Analysis of 2005 Ticket mailings based on the TRF 2009. Sample size = 1,071,490.

* The quintile and decile age group cutoffs are rounded to the nearest whole year of age.

Although the above discussion focuses on the consequences of sending Tickets to only the top 20 percent of newly eligible beneficiaries under each model, the information in Table C.5 is designed to help SSA consider the trade-off between: 1) incurring the cost of sending Tickets to more than 20 percent of all beneficiaries; and 2) increasing the percentage of likely users that receive Tickets. For instance, based on the results for the 2005 Ticket mailing, if SSA were to send Tickets to the 40 percent of new beneficiaries who are under age 48, then about 75 percent of the anticipated users would receive them, including 81 percent of those expected to experience STW. As a second example, if SSA sent Tickets to those with the top 40 percent of propensity scores under the full Ticket assignment model, then 80 percent of the anticipated users would receive them, including 86 percent of those expected to experience STW. As a third example, if SSA were to send Tickets to the top 30 percent of propensity scores under the STW model, then about 69 percent of anticipated users would receive them, including 81 percent of those expected to experience STW.

E. Limitations of the Analysis

There are a few important limitations of the analyses that should be noted in interpreting the findings.

First, the analysis is based on the results of 2005 Ticket mailings. While we believe that beneficiary behavior in 2011 has not changed substantially since 2005, some factors that have changed over time are likely to affect the results. In particular, the 2008 regulatory changes to the TTW program. An important feature of the regulatory change was that new beneficiaries designated as medical improvement expected (MIE) became TTW-eligible immediately after their SSI or DI award. Under the original TTW regulations, these individuals had to be re-determined eligible for disability benefits in their first medical CDR before becoming Ticket-eligible. Because our analysis relied on 2005 data, new awardees designated as MIE were not included in the analysis; only those passing their first CDR were mailed Tickets in 2005.

Second, we have no explanation for the very large number of assignments during the month when the Ticket was mailed. We think it reflects administrative factors associated with the TTW program and Ticket assignment process, rather than the true timing of beneficiary responses to the Ticket mailing. If administrative factors, such as retroactive dating of Ticket assignments, are indeed driving the observed pattern, we cannot provide an accurate assessment of the optimal timing of the Ticket mailing with the data that are available.

Another limitation of the analysis is that it had to rely only on SSA administrative variables available in TRF. There may be other information in the SSA administrative records not contained in the TRF that would be useful for purposes of targeting the Ticket mailings. One possibility is to use detailed primary impairment codes to identify those beneficiaries with a high probability of near-term mortality. Compassionate allowance information might serve the same purpose.

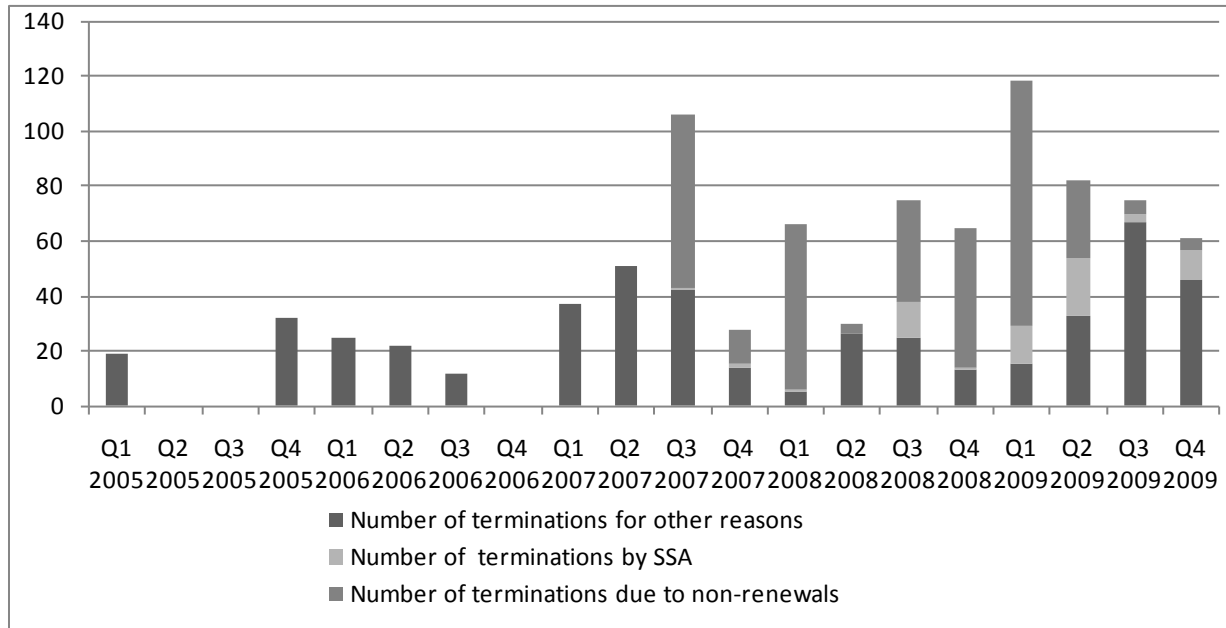
Finally, the analysis is incomplete in that it does not consider the effects of limiting Ticket mailings beyond the effects on the extent to which anticipated users will receive them. There are other effects, however. SSA will not make any Ticket payments for those beneficiaries who do not assign their Tickets only because they did not receive them; nor will SSA receive savings from any resulting reduction in benefit payments that might have occurred. Of course some of those who do not receive Tickets from SSA will nonetheless obtain Tickets by other means and assign them. That will mitigate any effects on Ticket payments or benefit savings. The process such beneficiaries use to obtain Tickets might be more costly to SSA on a per Ticket basis than the cost of mailing the Ticket, because it will use the time of SSA and contractor staff.

APPENDIX D
EN TERMINATIONS

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In this appendix, we present information about the number of EN terminations occurring during periods before and after implementation of the new regulations (Exhibit D.1).. This information helps explain the trends in the number of registered ENs, as discussed in Chapter III.

Exhibit D.1. Number of EN Terminations by Month and Reason, January 2005 to December 2009



Source: February 2010 EN Provider File.

Although more EN contracts terminated between July 2008 and December 2009 than in the prior 18 months, approximately the same number of ENs chose to terminate their contracts under the revised regulations as under the original regulations.

An important factor contributing to the observed trend in the number of ENs is that some ENs chose to let their five-year contracts expire rather than renewing them; 39.6 percent of EN terminations occurring between January 2005 and December 2009 were due to non-renewals. TTW was rolled out across the country between February 2002 and November 2003, and many organizations became ENs in the first months after their state became eligible to participate in TTW. Consequently, EN terminations due to non-renewals are concentrated in certain months. As discussed in Chapter III, non-renewals help explain the dip in the total number of ENs between September 2007 and June 2008. Without non-renewals, the number of ENs would have appeared to increase more rapidly after the revised regulations took effect in July 2008.

A second reason contributing to the observed changes in the number of ENs is that under the revised regulations, SSA terminated the contracts of inactive ENs. These included ENs that SSA determined were not interested in participating in TTW (see Chapter II). SSA initiated the termination of 63 contracts under the revised regulations, compared to just 3 between January 2005 and June 2008.

Approximately the same number of ENs terminated their contracts for reasons other than non-renewals during the first 18th months under the revised regulations as did so during the 18 months preceding the revised regulations. From July 2008 to December 2009, 199 EN contracts terminated for reasons other than non-renewal or SSA termination, compared to 175 between January 2008 and

July 2008. Most of these organizations elected to terminate their EN contracts. However, for 3 organizations under the revised regulations and one under the original regulations, the contracts were terminated because the organizations discontinued their operations.



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