

Center for Studying Disability Policy

How Former Beneficiaries Fare After Leaving Social Security Disability Insurance

January 19, 2022



Housekeeping





Welcome



Moderator
Jody Schimmel Hyde
Mathematica



Social Security Disability Insurance (SSDI) eligibility criteria

- / **Being insured for SSDI based on having sufficient quarters of coverage**
- / **Long-lasting medical impairment**
- / **Inability to engage in substantial gainful activity (SGA)**
 - In 2022, SGA for a beneficiary who is statutorily non-blind is \$1,350/month and is \$2,250/month for a beneficiary who is statutorily blind



Medical continuing disability reviews

- / Conducted periodically based on the expectation of medical improvement**
- / Can occur via a mailer, a full medical review, or both**
- / 2019 (fiscal year): 1.1 million mailer continuing disability reviews (CDRs) for SSDI, with nearly 260,000 full medical reviews¹**

¹ <https://www.ssa.gov/open/data/Periodic-Continuing-Disability-Reviews.html>



Work CDRs

- / **Social Security Administration (SSA) initiates a review after learning that the beneficiary has earnings**
- / **Earnings may meet the threshold for:**
 - **The trial work period (TWP):** 9 months in rolling 60-month window; earnings above \$970/month in 2022
 - **The Extended Period of Eligibility (EPE):** 36 months following the end of the TWP; benefits suspended in each month earnings exceed SGA
 - **Termination:** The first month that earnings exceed SGA following the EPE and a 3-month grace period
- / **2019: About 672,000 work CDRs initiated and 300,000 completed²**

² <https://www.ssa.gov/legislation/WorkCDRFY2021.pdf>



Speakers



Marisa Shenk
Mathematica



Michael Anderson
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Maine Medical Center
Department of Vocational
Services



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- Click on the “Q&A” widget at the bottom and submit your question
- Ask technical questions through the Q&A
- Your questions can only be seen by the presentation team



Center for Studying Disability Policy

Work-Related Benefit Suspension Experiences of Disability Insurance Beneficiaries

Marisa Shenk and Gina Livermore, Mathematica

Center for Studying Disability Policy Webinar

January 19, 2022



Beneficiaries' knowledge of work support provisions

/ **Knowledge of how earnings affect benefits influences beneficiaries' expectations and behavior**

- Fear of Medicare/Medicaid loss cited as a reason for not working or not working more despite provisions that protect against that loss
- Benefit suspensions may be unanticipated because of lack of knowledge

/ **Low rates of awareness of key earnings-related provisions**

- Among work-oriented SSDI beneficiaries: 41% have heard of the TWP; 20% have heard of the extended Medicare eligibility provision

Sources: Livermore et al. 2020; O'Day et al. 2016.



Study purpose

/ **Explore beneficiaries' experiences with suspensions**

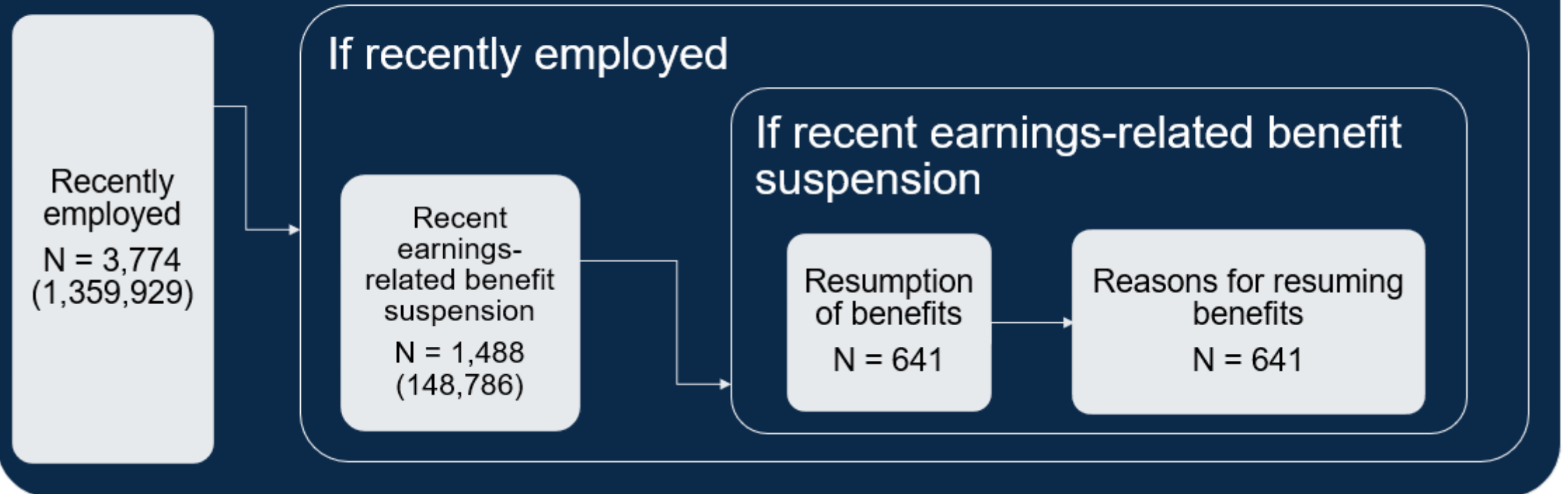
1. Benefit suspension rates and benefit receipt status among recently employed beneficiaries
2. Whether knowledge of key earnings-related provisions is associated with the likelihood and anticipation of suspension
3. Reasons why beneficiaries whose benefits were suspended return or think they might return to the rolls



Data and outcomes

All SSDI beneficiaries in 2017 National Beneficiary Survey

N = 5,736 (9,353,067)



N = Unweighted sample size (weighted sample size in parentheses)



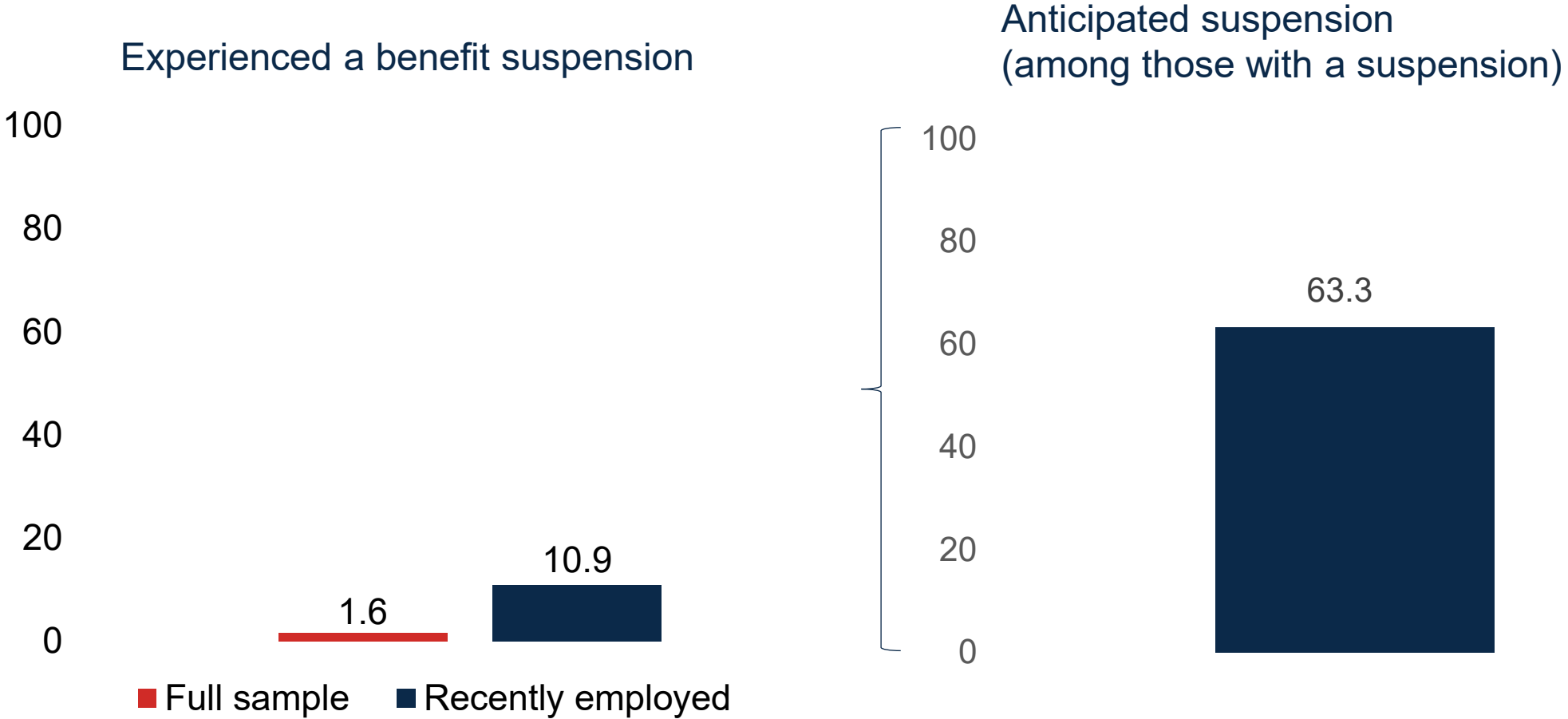
1. Benefit suspension rates

How common were earnings-related benefit suspensions?

Among those experiencing benefit suspensions, what share expected them?
What share resumed benefits?

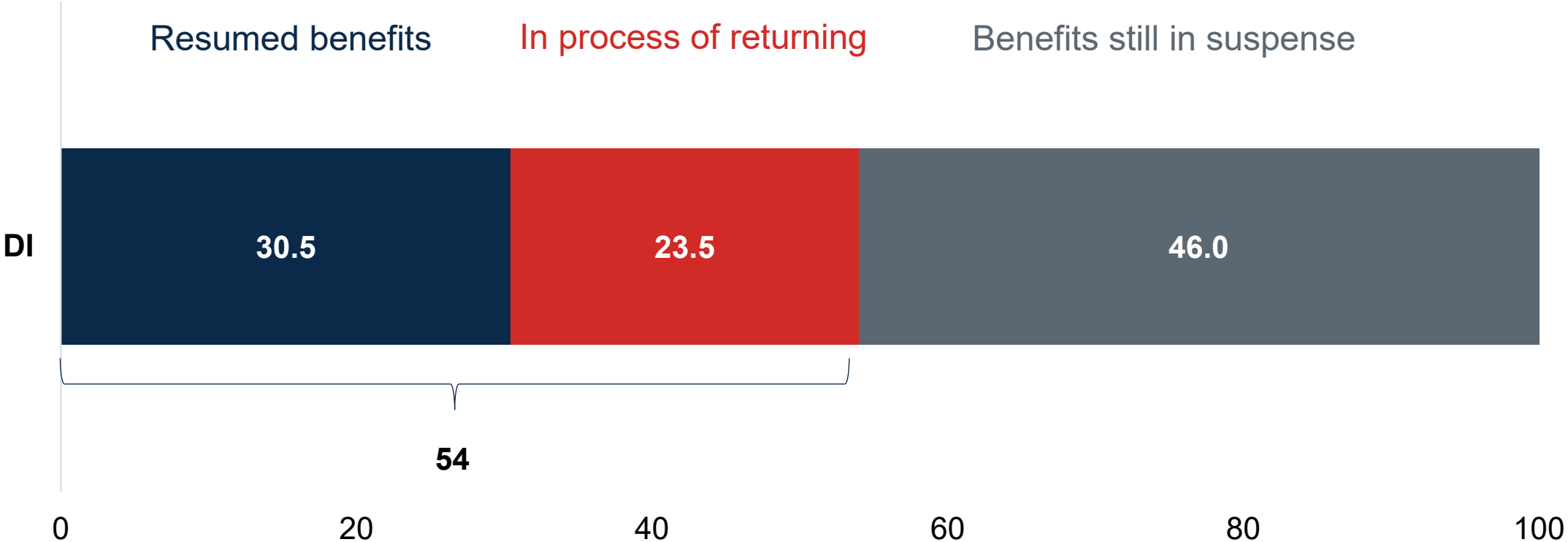


Benefit suspension rates (%)





Benefit suspension status at interview (%)



All statistics are among those with a recent benefit suspension.



2. Knowledge of key SSA work incentive provisions

At the time of interview, are beneficiaries aware of key SSA work incentive provisions?

Is knowledge of SSA work incentives correlated with expectations and reported behavior?

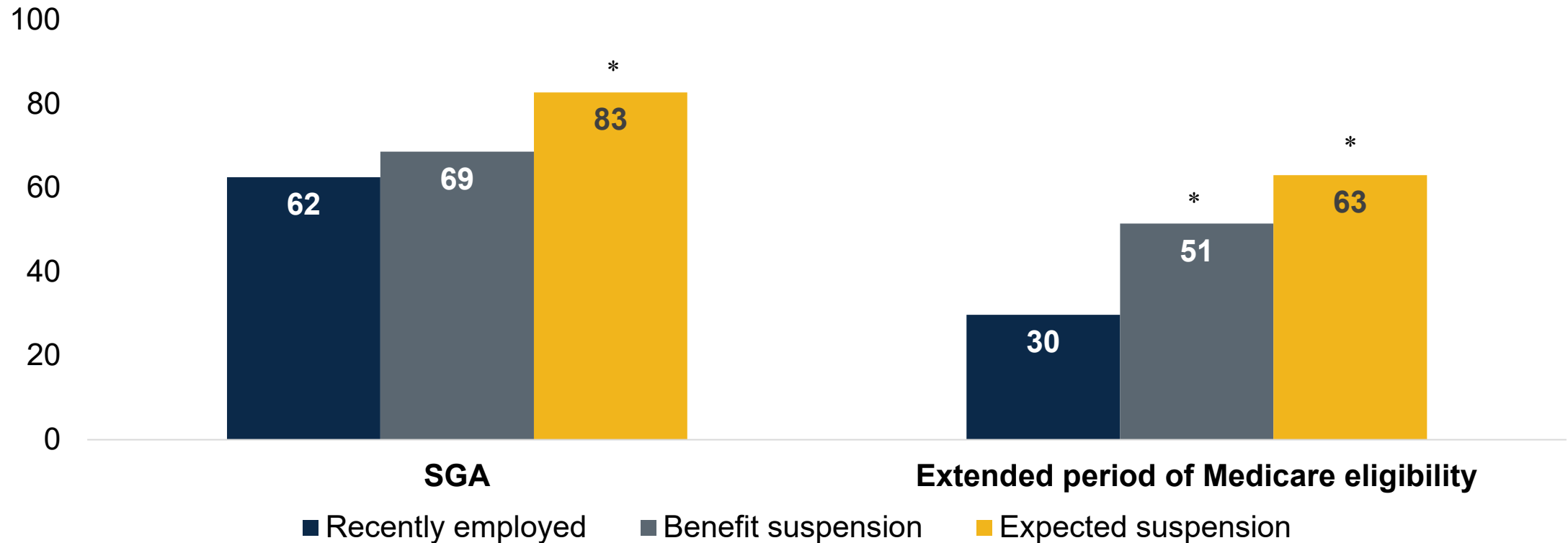


At the time of interview, are beneficiaries aware of key SSA work incentive provisions?

Selected SSA work incentive provision	National Beneficiary Survey question asked
SGA	Most people receiving Social Security disability benefits will lose their cash benefits if they work and earn more than \$1,170 in a month for more than nine months. Is this something {you/NAME} knew before today?
Extended period of Medicare eligibility	{Have you/Has NAME} ever heard of an Extended Period of Eligibility for Medicare? This is a Social Security incentive that lets {you/beneficiaries} keep Medicare coverage when {you/they} go to work, even if {your/their} benefits have stopped.



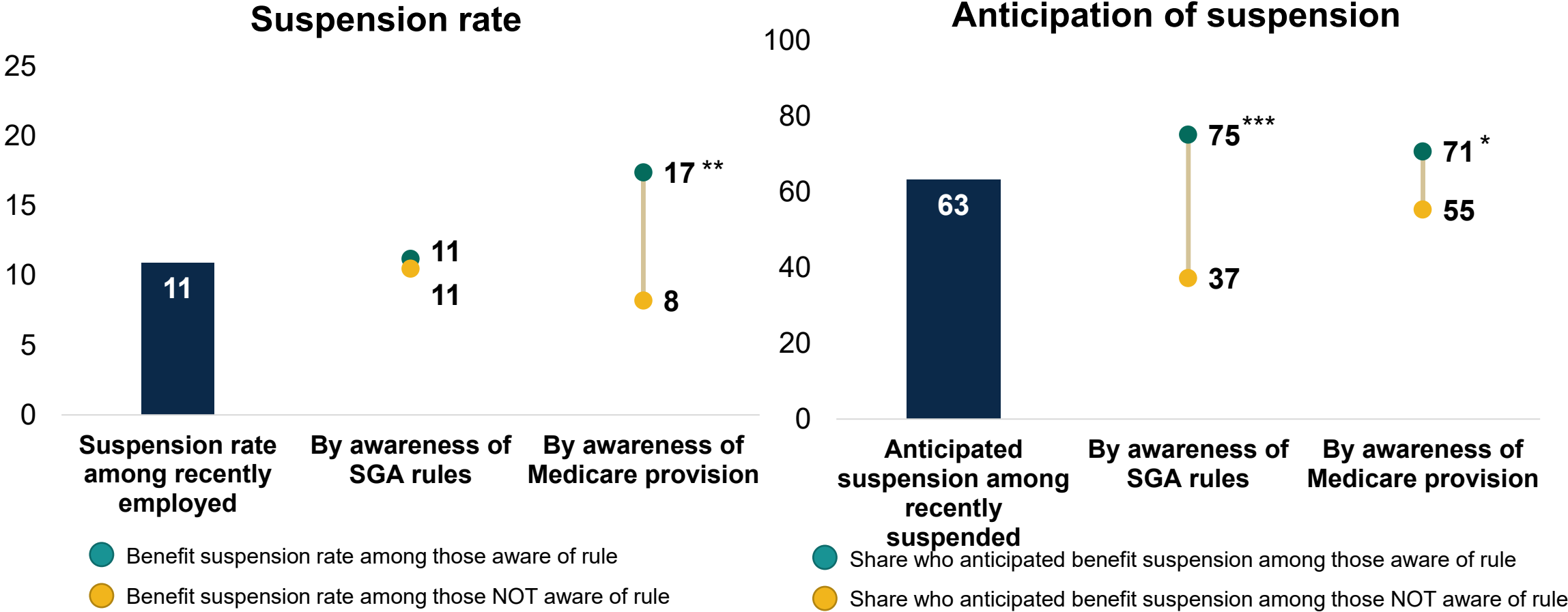
Awareness of selected work supports (%)



* = Statistically different from the group that [did not experience benefit suspension/did not expect suspension] at $p < .05$



Association between awareness and benefit suspensions



Controls include sex, age, race, ethnicity, education, years since initial award, reason for impairment, activities of daily living, need for assistance, and expectation of medical improvement

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$



Association between awareness and benefit resumption

/ There were no associations between knowledge of work incentive provisions and resuming benefits after suspension



3. Reasons for returning to benefits

What are the reasons why some who achieve benefit suspension discontinue or reduce their work effort and return to receiving benefits?

For those who returned to benefits, did they plan to earn enough to stay off benefits in the future?



Reasons for returning to benefits after recent earnings-related suspension (%)





Specific reasons for returning to benefits (%)

	Percentage
Existing health problem gets worse	31
Health interferes with job performance	12
Might lose benefits such as Social Security, Supplemental Nutrition Assistance Program, Medicaid/Medicare	8
Need time for medical appointments/fired for missing too much time for appointments or hospitalization	7
New health problem	6
Job does not pay enough	5
Work is too tiring or stressful	5
Need to be hospitalized	3



Plans for future

/ 51% of those who returned to benefits planned to earn enough to stay off benefits in the future

Key findings

What do beneficiaries who experience benefit suspensions know about SSA work incentives?

- Low awareness among recent workers and those experiencing benefit suspense

Is awareness of SSA work incentives correlated with expectations and reported behavior?

- Association between awareness and anticipation of benefit suspensions

Why do beneficiaries say they return to benefits?

- Idiosyncratic reasons
- Mostly related to health
- Half planned to eventually earn enough to stay off benefits in the future



Key takeaways

- / Increasing knowledge about key provisions could increase anticipation of and planning for benefit suspensions**
 - Descriptive evidence of association between knowledge and suspensions but causation and direction of the causation is unclear
- / Health insurance provisions seem particularly important given the reasons why successful work attempts fail**
 - Predominantly health-related reasons for returning to benefits after suspension
 - Fear of losing benefits was not as common a reason



Considerations for future research and policy

- / Among those who resume benefits, what are the nature of their health conditions, jobs, health insurance, needs, and accommodations?**
 - Understanding their circumstances alongside the reasons for returning to benefits might yield insights about supports that could help them remain employed
- / What policies or supports could be offered to those who exit because of earnings?**
 - Could SSA target those in benefit suspense with a specific intervention?
 - Easily identified, demonstrated work capacity, and high probability of return to benefits if unsuccessful
 - Information from SSA's Exits Study (targeting those who medically improve) might also be relevant to those who exit because of earnings



References

Livermore, G., M. Shenk, and P. Sevak. “Profile of SSI and DI Beneficiaries with Work Goals and Expectations in 2015.” Washington, DC: Mathematica, 2020.

O’Day, B., Martin, F., Burak, H., et al. “Employment Experiences of Young Adults and High Earners who Receive Social Security Disability Benefits: Findings from Semistructured Interviews.” Washington, DC: Mathematica, 2016.

Center for Studying Disability Policy

Outcomes Following Termination of Social Security Disability Insurance

Michael Anderson, Monica Farid, Denise
Hoffman, Serge Lukashanets, Mathematica
Kai Fillion, Social Security Administration

Center for Studying Disability Policy Webinar
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SSDI eligibility will cease after medical improvement or substantial work

- Medical review finds medical improvement
 - Not eligible for expedited reinstatement
- Engage in SGA
 - SGA threshold is currently \$1,310 per month
 - Eligible for expedited reinstatement



What happens to people who lose entitlement because of medical improvement or work?

- How many return to SSDI (or Supplemental Security Income [SSI]) within five years of termination?
- How many have earnings that are consistently above the federal poverty level in the five years after termination?



Data

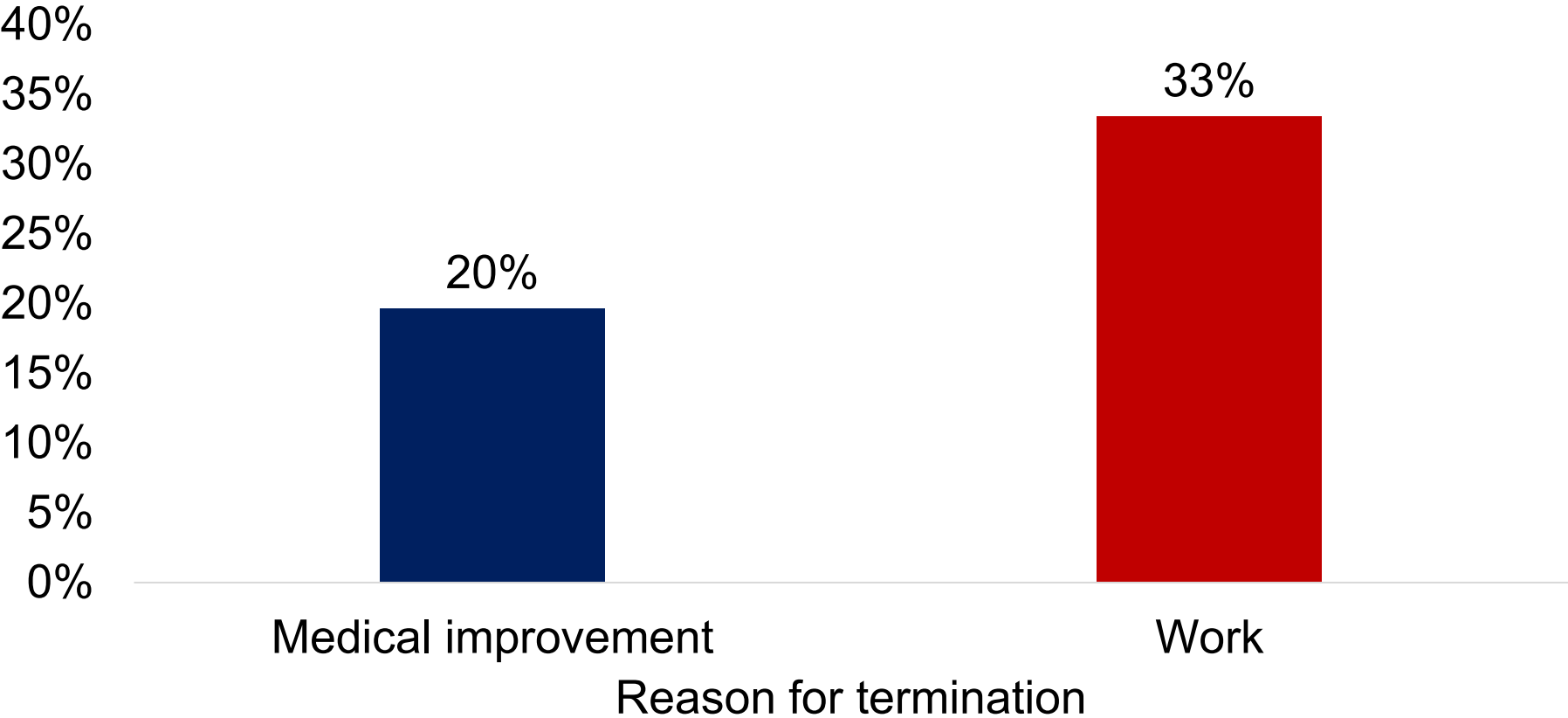
- Data: 2019 Disability Analysis File
 - Longitudinal data file, updated annually
 - Constructed from existing SSA administrative data
 - Includes information on all SSDI and SSI beneficiaries who received benefits in any month starting in 1996 through 2019

- Analysis period is 2001 to 2019
 - To allow five-year follow-up, the most recent year of termination is 2014
 - Terminations for medical improvement (2001–2014)
 - Terminations for work (2005–2014)



People with work terminations returned to SSDI or SSI at a greater rate than those with medical improvement

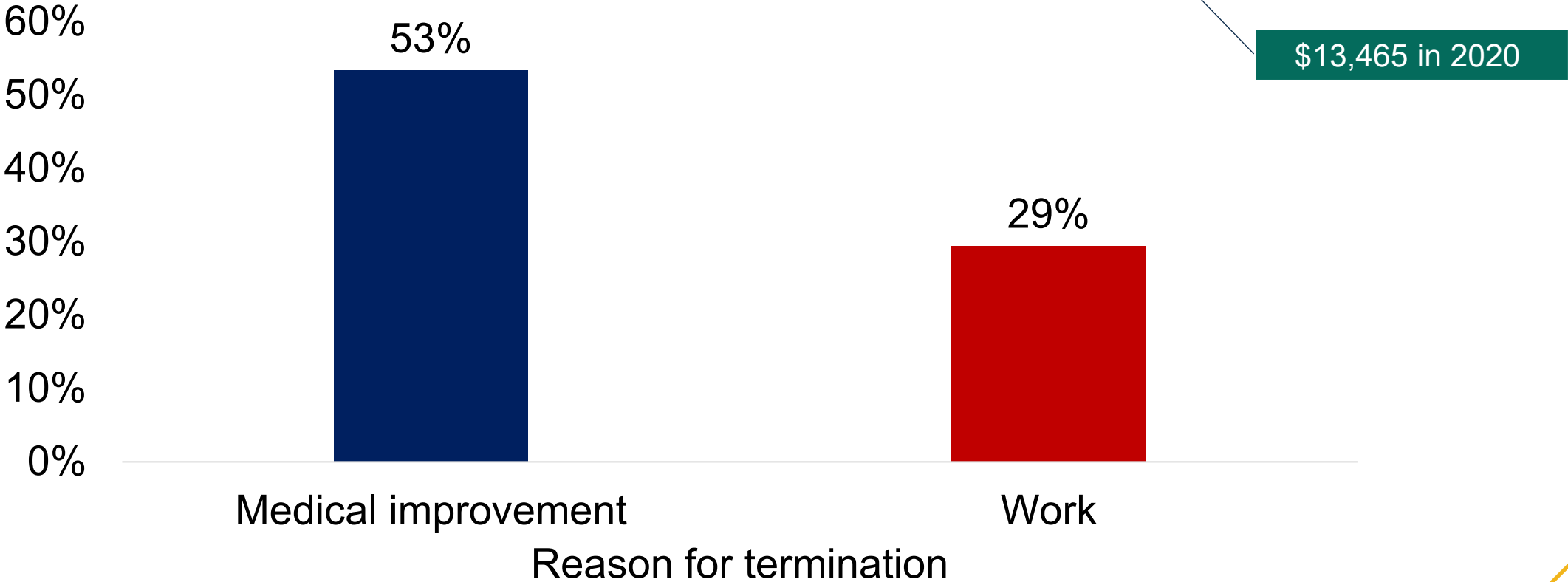
Percentage returned to SSDI or SSI within five years of benefit termination





More than half of people with medical improvement had average earnings below the federal poverty rate

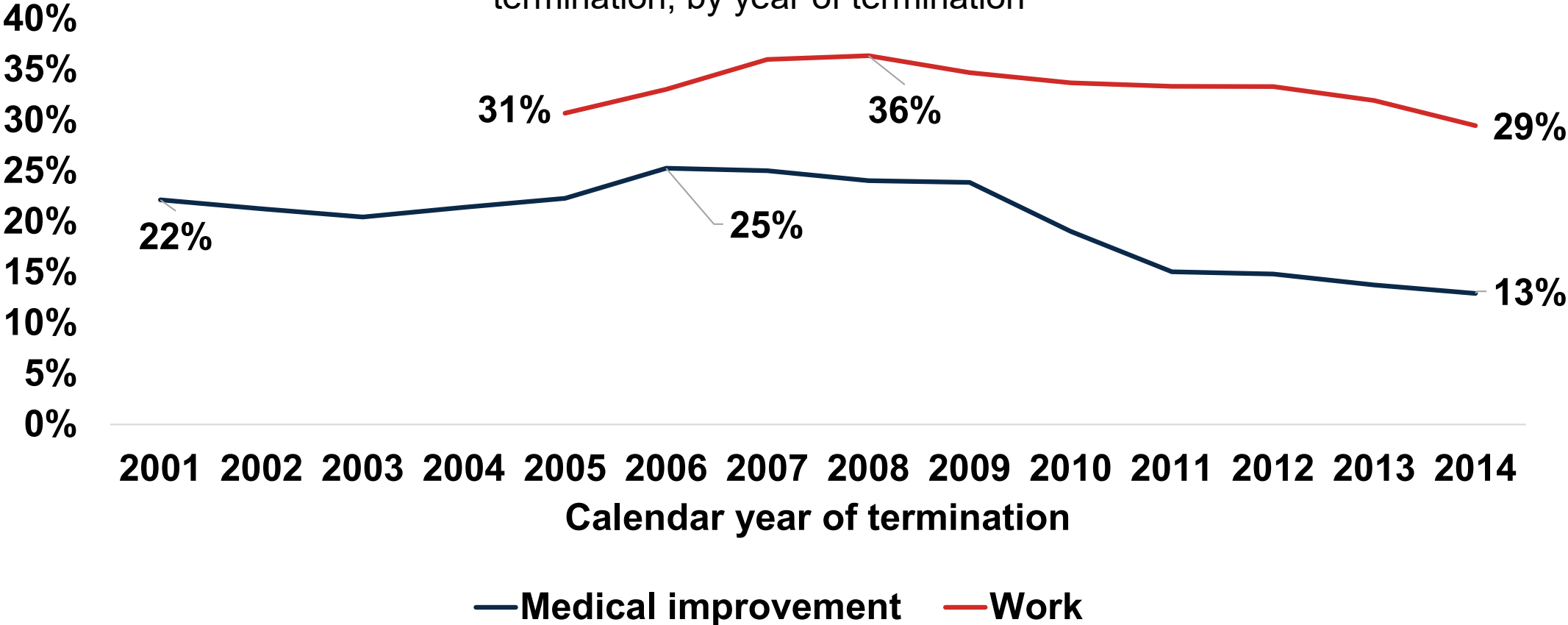
Percentage with average post-termination earnings below federal poverty rate in the five years following benefit termination





There was a moderate decline in return rates among more recent termination cohorts

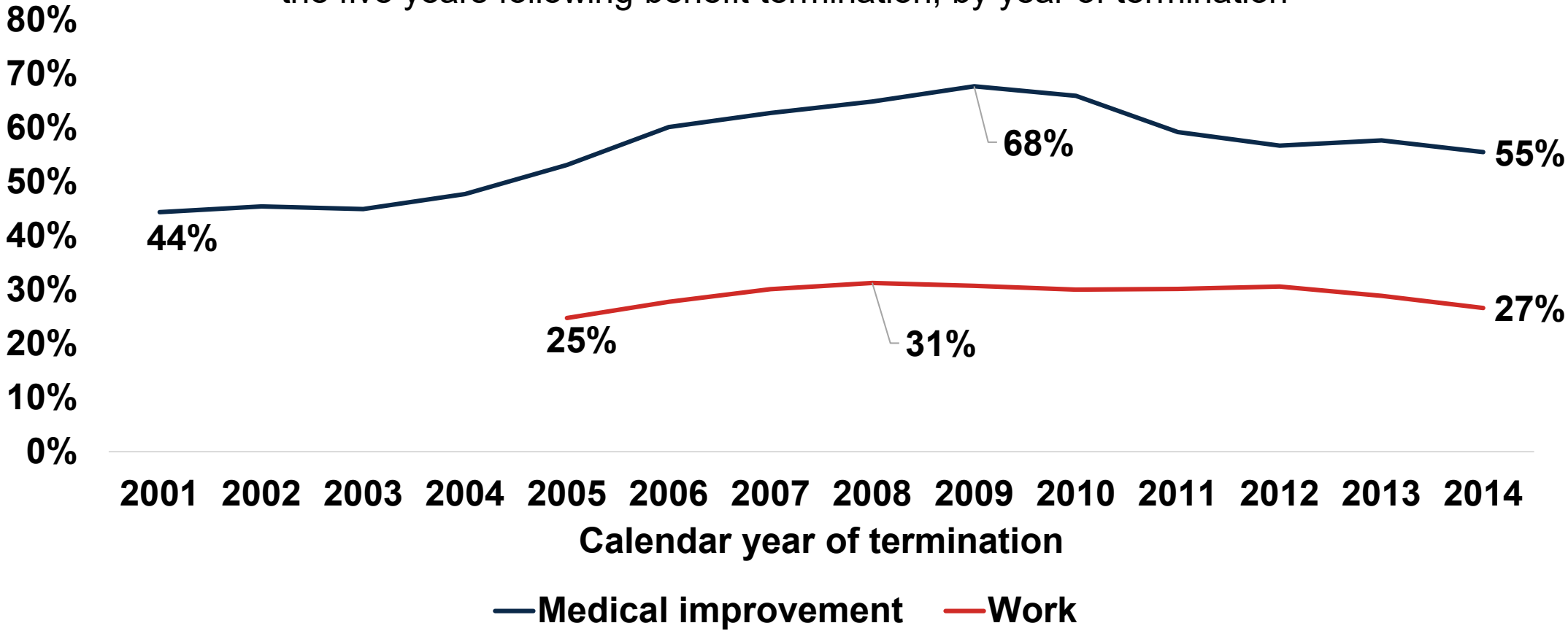
Percentage returned to SSDI or SSI within five years of benefit termination, by year of termination





Earnings outcomes improved in recent years, especially for those with medical improvement

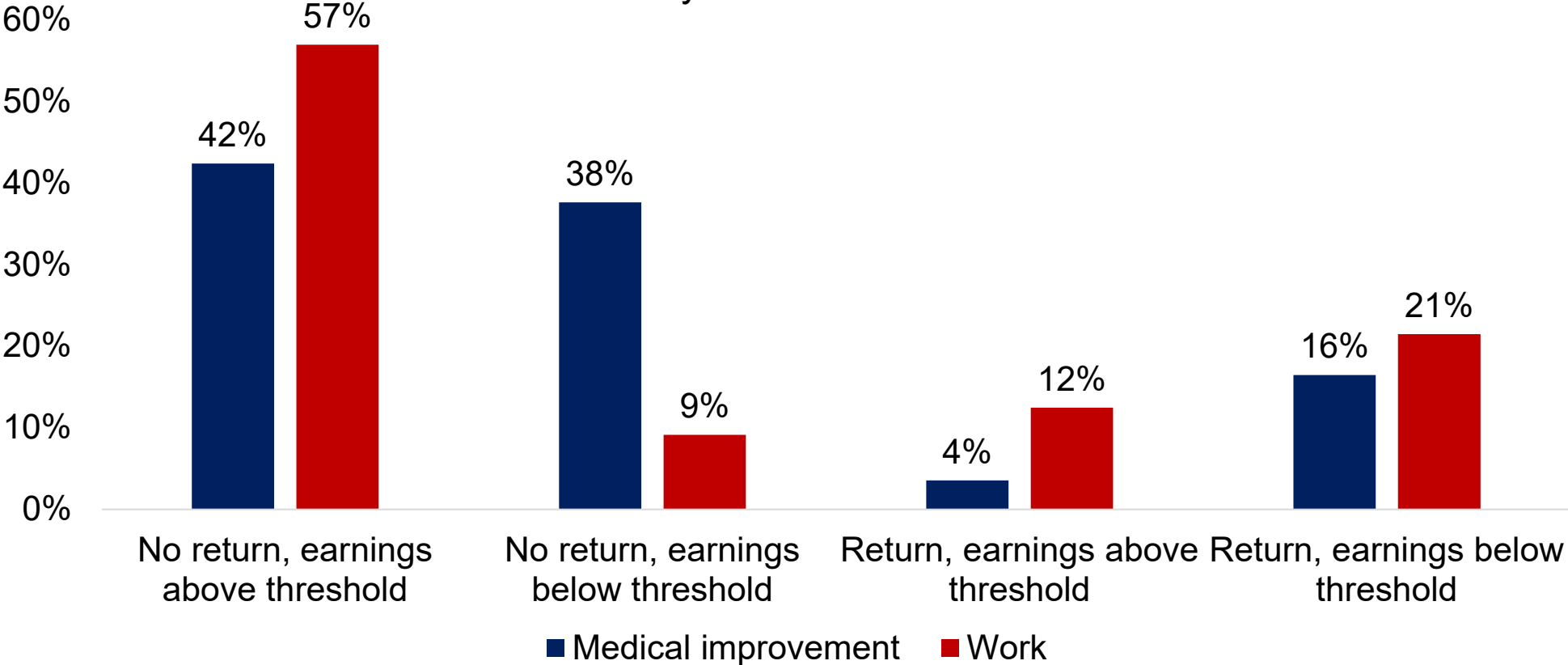
Percentage with average post-termination earnings below poverty rate in the five years following benefit termination, by year of termination





Four possible combinations of outcomes: return to SSDI/SSI and average earnings above threshold

Percentage in each of four outcomes categories, by reason for termination





Certain characteristics were associated with benefit independence and earnings

	No return to SSDI/SSI and earnings above threshold	Return to SSDI/SSI and earnings below threshold
Entitlement status before termination	Entitled to SSDI only	Entitled to both SSDI and SSI
Age at termination	Younger than 40	40 or older
Duration of entitlement (before termination)	Less than 6 years	6 or more years
SSA expectation for medical improvement	Improvement expected	Improvement not expected
County unemployment rate	Lower	Higher
Primary diagnoses	Neoplasms, injuries	Schizophrenia or other psychotic disorders, musculoskeletal and connective tissue diseases



Summary and policy considerations

- Many people who lost eligibility did not return to the labor force
 - More than a third who lost eligibility because of work returned to SSDI
 - Fewer than half who lost eligibility because of medical improvement earned above the poverty threshold
- Exits from Disability Demonstration
 - Target people who lose entitlement because of medical improvement
 - Goal: provide assistance to promote economic self-sufficiency
 - Evidence study:
 - Collect information on the needs of exiters
 - Identify potential interventions



Thank you

- Please address questions or comments to Mike Anderson:
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A Tale of Three Studies

Jarnee Riley, Westat Associate Director

January 19, 2022

Overview

- › Mental Health Treatment Study (2006 to 2011) – SSDI beneficiaries
- › Supported Employment Demonstration (2016 to 2022) – disability applicants denied benefits
- › Beyond Benefits Study, formerly called Exits from Disability Evidence Study (2021 to 2024) – possible “Exiters” and “Exiters”

Beyond Benefits Study (2021 – 2024)

› Motivation for the study

- SSA provides incentives to beneficiaries to support their return-to-work efforts; however, SSA does not currently offer support to beneficiaries if benefits terminate
- Few of these “Exiters” engage in a level of work that supports self-sufficiency (Hemmeter & Bailey, 2016)
- 20% of SSDI beneficiaries and 30% of SSI beneficiaries get back on SSA disability benefits within 8 years (Hemmeter & Stegman, 2013)

Beyond Benefits Study is a Precursor to a Larger Demonstration

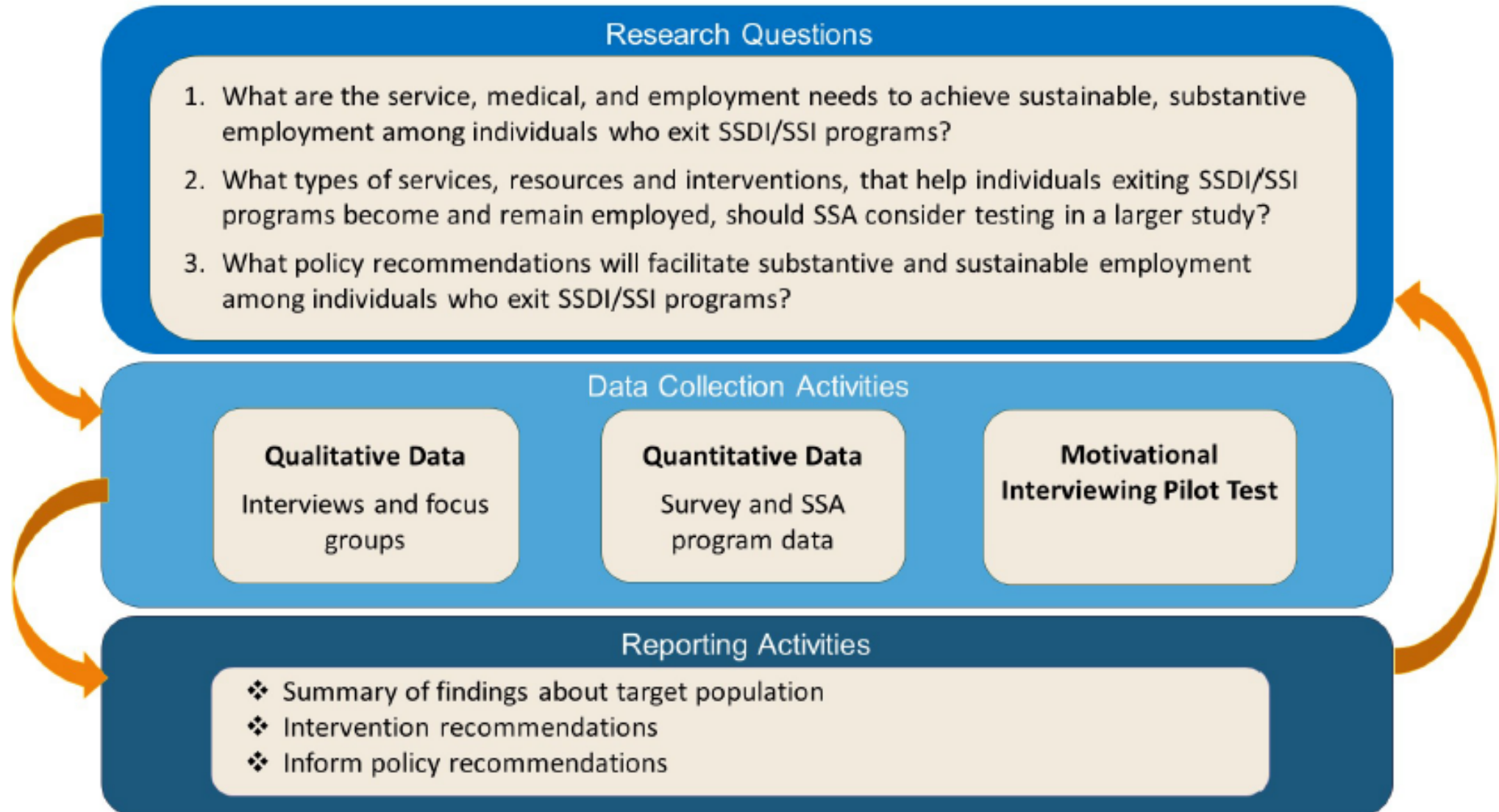
Exits Demonstration will answer the following: Will beneficiaries exiting the rolls due to medical improvement take advantage of resources SSA provides and if they do, will they gain meaningful employment that promotes self-sufficiency?



Prior to conducting the Exits Demonstration, SSA must first conduct the *Exits Study* to better understand:

- Resources needed to help Exiters
- Availability of those resources
- Beneficiary willingness and readiness to access those resources

Beyond Benefits Study Design





Discussion

**Stephanie Desrochers,
Maine Medical Center Department of Vocational Services**





Questions?

**Submit written questions using the Q&A widget
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