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Service Providers' Experiences Under the Revised Ticket to Work Regulations¹

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The Social Security Administration (SSA) oversees two programs that provide income support to nearly 11 million working-age people with disabilities: Social Security Disability Insurance (DI) and Supplemental Security Income (SSI). Although applicants for these programs must demonstrate that they are unable to work at a substantial level due to their impairment, many beneficiaries can and do work, some earning enough to eventually leave the disability rolls. Congress introduced Ticket to Work (TTW) in the hope that it would give beneficiaries more and better options for employment support services, increasing the number of people who pursue employment and achieve self-sufficiency. In 2008, SSA revised the program to make it more attractive to service providers. This brief, which is based on a longer report (Altshuler et al. 2011), discusses how TTW participation by service providers and beneficiaries has changed under these revised regulations. It also describes providers' early experiences with these regulations.

TTW Before the 2008 Reforms

In recent years, Congress has adopted programs like TTW to encourage people who receive disability benefits to seek employment. TTW provides beneficiaries with a Ticket that they can use to obtain job-related services, such as vocational rehabilitation, from participating providers called employment networks (ENs). ENs receive payments from SSA if the beneficiaries they serve find and maintain employment successfully.

Although TTW increased the share of beneficiaries who receive employment services, as of December 2007 only 2.29 percent of eligible beneficiaries were participating in TTW. Furthermore, analyses of TTW in 2002–2004 did

not show any effects of the program on employment, earnings, or benefit eligibility. In 2007, many beneficiaries still had little or no choice of ENs, and the vast majority (95 percent of Ticket holders in December 2007) assigned their Tickets to the state vocational rehabilitation agency (SVRA) and received services there as they had before TTW was implemented (Stapleton et al. 2008).

ENs reported two main barriers that impeded their participation in TTW under the original regulations: small expected payments and large administrative burdens. Most ENs did not receive enough revenue to cover their TTW work because (1) most participants did not work enough to qualify for payments and (2) 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). Even the ENs that eventually generated enough revenue from TTW to cover their costs had to wait first for beneficiaries 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 burdensome, including the need to obtain earnings documentation from beneficiaries who had already found steady work and may not be motivated to provide this information (Stapleton et al. 2008).

The 2008 Reforms

To make participation in TTW more rewarding for providers, on July 21, 2008, SSA significantly changed the

¹ This brief is based on a report prepared for SSA as part of an evaluation of the TTW program under contract no. 0600-03-60130. All opinions expressed are those of the author and do not necessarily reflect the views of SSA or Mathematica Policy Research.

program by offering larger payments, making some payments available at lower levels of earnings, and reducing the administrative burden.

Under both the original and revised regulations, ENs choose between two payment systems: milestone-outcome and outcome-only.² Milestone-outcome offers payments while a client is still receiving benefits. Outcome-only offers even higher potential payments but requires that the client leave the disability rolls first. SSA reformed the more popular milestone-outcome system by raising the value of payments, equalizing potential payments for SSI and DI beneficiaries, and offering payments at lower levels of earnings. These changes were intended to help ENs earn larger payments earlier in the return-to-work process, reducing the time lag between service provision and payment. To lessen the administrative burden, SSA also revamped the support system for ENs by increasing the number of TTW representatives who provide help (from 4 to 24) and began work on a computer system that will allow ENs to submit paperwork electronically.

SSA and its contractors began several marketing campaigns to promote the reformed TTW program to beneficiaries and potential ENs. One major campaign, Choose Work, features a website with testimonials and information on TTW as well as a series of local events in areas where many beneficiaries live. One of SSA's contractors also provides resources for organizations that wish to hold Work Incentive Seminar Events, where beneficiaries can learn about work incentives and connect with local ENs. Other promotional strategies include using Facebook, Twitter, and LinkedIn to connect with beneficiaries; posting information about events on <http://www.disability.gov>; and forging partnerships with organizations that serve people with disabilities or are active in minority communities.

² SVRAs may accept Tickets as ENs under either system or operate on a cost-reimbursement basis, as they did before TTW. This report refers to SVRAs acting as ENs as SVRA-ENs.

How Has Participation Changed Under the Revised Regulations?

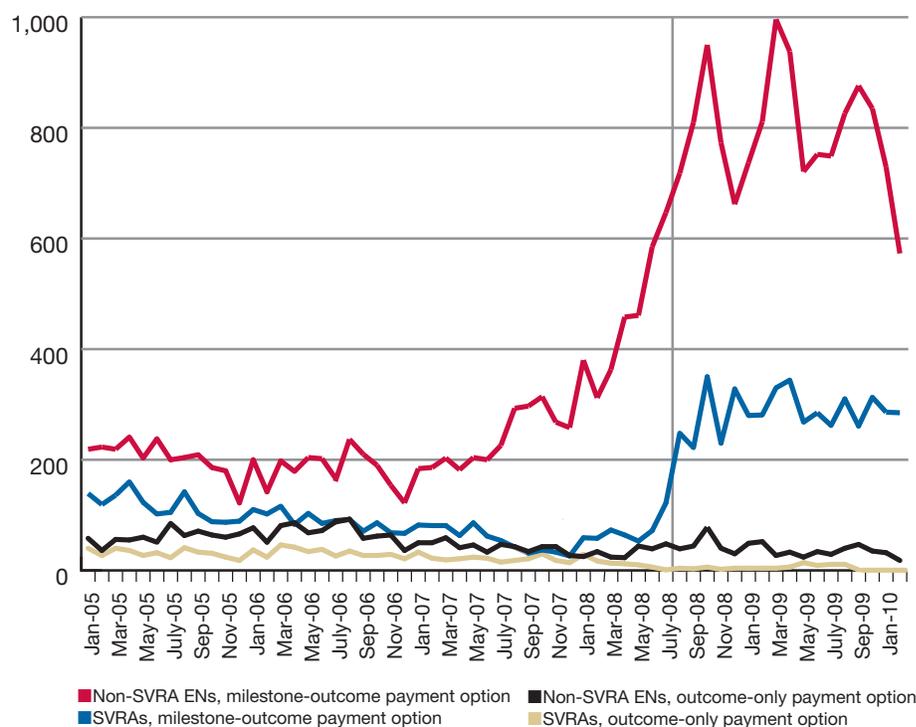
Under the revised regulations, the number of beneficiaries who have participated in TTW increased from 236,618 in December 2007 to 279,853 in December 2009. The participation rate rose from 2.29 percent in December 2007 to 2.40 percent in December 2008, but fell to 2.29 percent in December 2009. The new regulations appear to have had only a modest effect on the overall rate of beneficiary participation in TTW.

However, the revised regulations appear to have a greater impact when one views new Ticket assignments by provider and payment type. The volume of new Ticket assignments to ENs increased sharply under the new regulations (Figure 1). Although ENs and SVRA-ENs accepted about the same number 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 new milestone-outcome Ticket assignments began increasing sharply among other ENs 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 its contractors began promoting the revised regulations before they took effect, which may have prompted ENs to accept Tickets in anticipation of the revised regulations.

After the regulations changed, the number of ENs participating in TTW increased only modestly, but the number of ENs actively taking Tickets increased sharply, from 305 ENs in June 2008 to 639 in December 2009 (Figure 2). The same trends apply to the number of ENs that had accepted five or more Tickets in the previous year; this

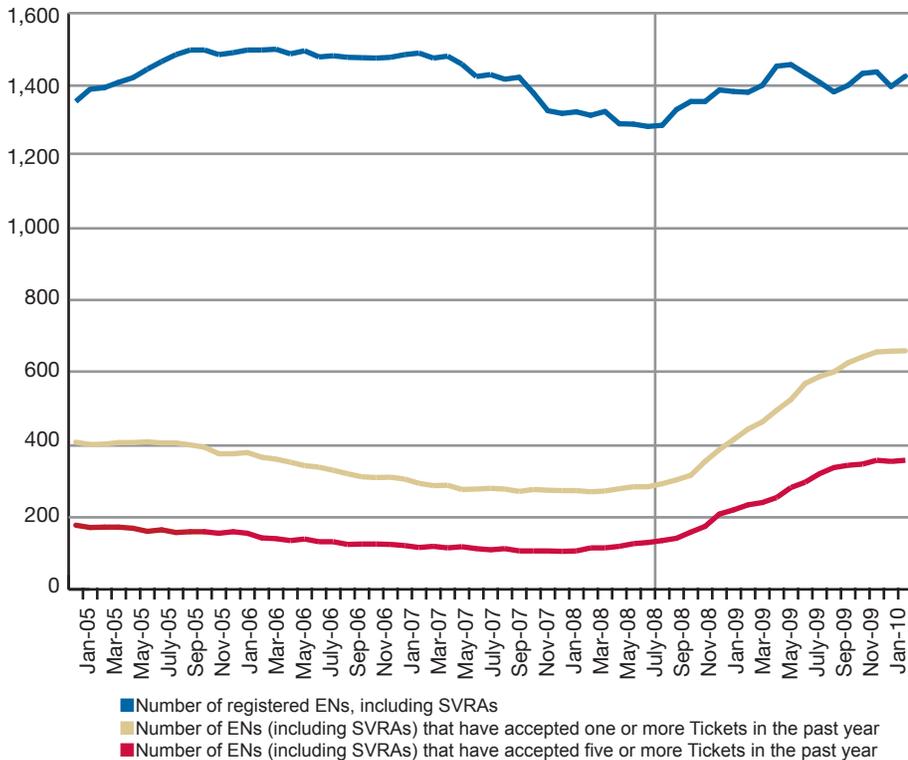
Figure 1.
Number of New Ticket Assignments, by Payment System and Type of Provider, January 2005 to December 2009



Source: Altshuler et al. (2011).

Figure 2.

Number of Registered ENs and ENs Accepting Tickets, January 2005 to December 2009



Source: Altshuler et al. (2011).

number grew from 147 in June 2008 to 344 in December 2009. The percentage of registered ENs that held any Tickets increased from 42 percent in December 2005 to 65 percent in December 2009, and the percentage with at least five Tickets rose from 26 percent to 38 percent (Stapleton et al. 2008). The number of SVRA-ENs that accepted at least one Ticket declined slightly from 30 in June 2008 to 20 in July 2009, before increasing to 23 in December. The number with five or more Tickets (approximately 18) remained stable.

To learn why some ENs began accepting more Tickets after the regulations changed, we conducted interviews with representatives from seven of these ENs. Five stated that their ENs began accepting more Tickets because the new milestone-outcome option made TTW appear more lucrative, particularly for ENs serving beneficiaries who only want to work part time. Four reported that, because of the new milestone-outcome payment structure, they began

serving beneficiaries they would not otherwise have served, and one EN started accepting Tickets from beneficiaries it would have otherwise served using other funding sources. Three EN representatives reported that more beneficiaries have approached them since the regulations changed, which they attribute (at least in part) to increased outreach by SSA and its contractors. In addition, three representatives cited internal reasons for accepting more Tickets, such as staff changes or a decision to open TTW to all eligible clients after they completed a pilot version of the program.

Despite efforts by SSA and its contractors to lessen the administrative burden on ENs, EN representatives continue to cite administrative requirements as a major hurdle. Representatives who reported substantial improvements credited this to the growing proficiency of their staff. Increasing the number of representatives allowed for more attention to

ENs' concerns, but phasing in the new system caused confusion and frustration. Four officials also reported difficulty with obtaining earnings documentation from their clients. The only EN that does not have this difficulty employs its beneficiaries directly and so is able to furnish primary evidence of their earnings.

Policy Implications

The new TTW regulations took effect during a significant economic downturn, which likely affected trends in Ticket assignments and EN participation. Although 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. It is likely that the greatest impact of the economy was in increasing the difficulty of finding and keeping a job, making it harder for ENs to qualify for payments. Six of the EN representatives we interviewed reported this difficulty. Another stated that the EN only served beneficiaries who had a job or a strong lead on a job, while another reported that the employment market was previously so bad that the recession could not have made it worse. It is impossible to know what the effects of the program would have been under more normal economic conditions, but it is possible to draw some preliminary conclusions on the effect of the revised regulations as they were implemented.

The revised regulations generated renewed interest in TTW among providers. Providers were especially drawn to the new milestone-outcome payment structure, which allowed them to earn larger payments earlier in the return-to-work process. As of December 2009, about twice as many ENs were taking Tickets compared with the number under the original regulations, and the share of Ticket-eligible beneficiaries receiving services under an EN payment option increased by about 57 percent.

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. Despite the revised payment structure, some EN representatives said they still do not believe that TTW is financially viable for ENs, particularly those that serve beneficiaries who do not expect to earn enough to leave the rolls. Some EN officials said that TTW still does not provide enough funding for up-front services. 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 and its contractors continue to improve the program, but they face considerable challenges to their goal of drastically expanding participation.

Data and Methods

This brief is based on interviews conducted with SSA's Office of Employment Support Programs, the unit primarily responsible for implementing TTW; the operations support manager and program manager for recruitment and outreach, contractors charged with recruiting ENs and beneficiaries, training ENs, and administering Ticket assignments and payments; and 14 ENs, oversampling those that have accepted a large number of Tickets or increased their Ticket-taking under the revised regulations. Interviews took place between October 2009 and May 2010. This brief also uses SSA administrative data drawn from the Disability Control File (DCF) and the EN Provider File to generate descriptive statistics about EN and SVRA behavior. 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. The EN Provider File contains information on the Ticket activity of all ENs and SVRAs; see Altshuler et al. (2011) for details.

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