

---

# **Creating Work Incentives for SSDI Beneficiaries: First Findings from the Implementation of the Benefit Offset National Demonstration (BOND)**

**Stephen Bell & Michelle Derr**

**National Association for Welfare Research and Statistics Conference  
August 19-21, 2013**



**MATHEMATICA**  
**Policy Research**

# Outline of Talk

---

- ❧ **Testing DI work incentives**
- ❧ **The BOND evaluation**
- ❧ **Findings from the Stage 1 Early Assessment Report**
- ❧ **Findings from the Stage 2 Early Assessment Report**
- ❧ **Discussion**

---

# Testing DI Work Incentives

# Background

---

- ❧ **People with disabilities who are no longer able to work may rely on Social Security Disability Insurance (DI) for income assistance**
- ❧ **In recent decades the number of DI beneficiaries and associated outlays have grown dramatically**
- ❧ **Over a decade, about 25 percent of new beneficiaries go back to work, but only 3-4 percent earn enough to leave the rolls, even temporarily.**

# SSDI Work Disincentives

## DI program benefits create a work disincentive known as the “cash cliff”

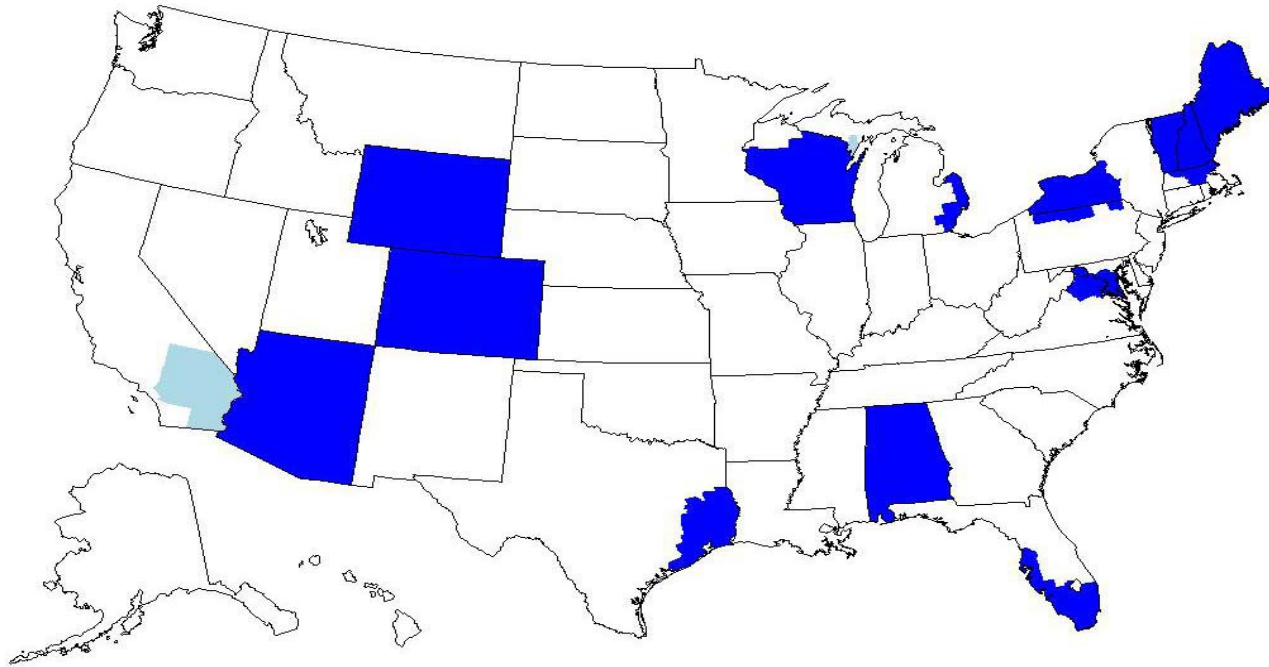
- DI benefits are withheld or terminated if earnings are greater than \$1,040/month
- Consider two scenarios for a person who receives \$900/month in DI benefits
  - Earn \$1,008 in a month. Income = \$1,908 (\$1,008 earnings + \$900 benefits)
  - Earn \$1,041 in a month. Income = \$1,041 (\$1,041 earnings + \$0 benefits)

# Benefit Offset National Demonstration

🌀 **Funded by the Social Security Administration**

- Study conducted by Abt and Mathematica

🌀 **10 sites provide accurate results for the nation**



# BOND Intervention

## Removes the cash cliff

- If average monthly earnings over the year exceed \$1,040, benefits reduced by \$1 for every \$2 earned
- Example: A beneficiary who receives \$900 in DI benefits and earns \$1,240 per month
  - Without BOND benefit offset, income = \$1,240 (\$1,240 earnings + \$0 cash benefits)
  - With BOND benefit offset, income = \$2,040 (\$1,240 earnings + \$800 cash benefit)

## Benefits counseling based on BOND rules

# BOND Includes Two Stages

## Stage 1

- **Almost 80,000 randomly selected beneficiaries notified by letter “You qualify for the offset” (T1)**
- **Compared to nearly 900,000 status quo beneficiaries (C1)**
- **Difference = average impact of offset availability on the DI population as a whole (expected small)**

## Stage 2

- **Impact of the offset on those most likely to use it**
- **Effect of enhanced benefit counseling on offset utilization and impact**



# BOND Study Design

## BOND Sample Intake Flow

All Eligible DI-Only & Concurrent  
Beneficiaries in Sites

Stage 1  
RA

\$1 for \$2  
Offset

Eligible DI-Only  
Beneficiaries:  
Stage 2  
Solicitation Pool

Control Group

Recruitment  
& Informed  
Consent

RIC

Stage 2  
Volunteers

Stage 2  
RA

\$1 for \$2  
Offset

T21

C2

Control  
Group

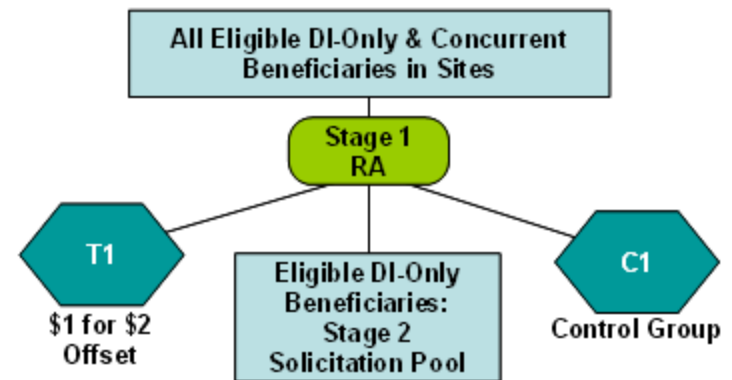
T22

\$1 for \$2 Offset with  
Enhanced Work  
Incentives Counseling

# Study Design – Stage 1

🌀 All DI beneficiaries in a site are randomly assigned in to three groups:

- T1: Receive benefit offset and WIC services
- C1: Current law control group
- Stage 2 solicitation pool: invited to volunteer for the second stage of BONE



# Stage 1 Enrollment

---

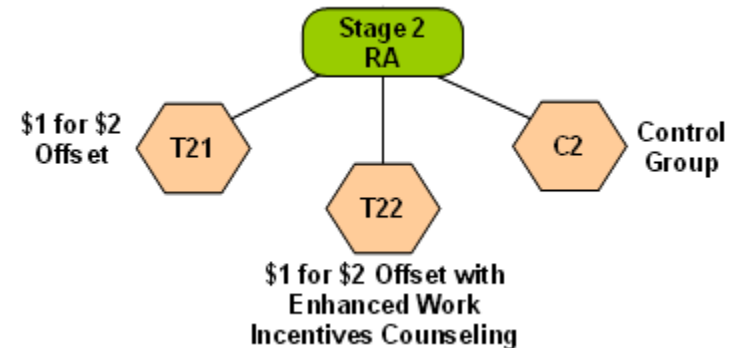
- ❧ **T1s receive a “Good News” letter letting them know they’ve been enrolled in BOND**
- ❧ **The letter includes a phone number and encourages beneficiaries to contact the Call Center to learn more about BOND or to ask questions**
- ❧ **Can receive work incentives counseling (WIC) that explains implications of earnings for DI benefits under the offset rules**

# Study Design – Stage 2

🎯 **12,954 beneficiaries from the Stage 2 solicitation pool volunteered for BOND, following mail and phone outreach**

🎯 **Randomly assigned to three groups**

- **T21: Receive benefit offset and WIC services**
- **T22: Receive benefit offset and EWIC service**
- **C2: Current law control group**



# EWIC Contrast and Impact

- ❧ **EWIC provides proactive outreach, a more formal assessment, and regular follow-up compared to the WIC**
  - **WIC beneficiaries (T1/T21) are required to contact their WIC for services**
- ❧ **Learn if more intensive counseling increases the impact of the offset (T22 vs. T21)**
- ❧ **Also measure impact of the offset alone on same highly motivated population (T21 vs. C2)**

---

# The BOND Evaluation

# Research Questions (Stage 1 & Stage 2)

---


- ❧ **What is the impact of the offset on beneficiary earnings and other aspects of well-being?**
- ❧ **Does the intervention affect DI program exit and save the Trust Fund money?**
- ❧ **How well was the intervention implemented?**
- ❧ **Which beneficiaries sought to use the offset?  
Which beneficiaries used the offset?**
- ❧ **How might the costs and benefits of a nationwide offset-like policy play out, given the evidence of demonstration?**

# Timing of Findings, by Study Component

---

 **Process Analysis: 2013 – 2016**

 **Participation Analysis: 2013 - 2016**

 **Impact Analysis: 2013 – 2017 (4 Year Follow Up)**

 **Benefit-Cost Analysis: 2017**



# Data Sources

## Extant administrative records data (pre/post)

- Earnings and employment
- DI and SSI benefits
- Medicare & vocational rehabilitation service use

## Participant surveys

- Baseline (Stage 2 only)
- Follow Up (Stage 2 12-month & Stage 1 and Stage 2 36-month)

## Key informant interviews/focus groups

## BOND Operations Data

- Outreach/intake/random assignment
- Work incentives counseling receipt
- Benefit adjustment processing

---

# Findings from the Stage 1 Early Assessment Report

# Early Assessment Report

---

 **Based on Stage 1**

 **First 6 months of Stage 1 (May – October 2011)**

 **Data Sources:**

- **Quantitative demonstration data**
- **Qualitative data**

# Framework for Stage 1

---

## **Beneficiary random assignment**

## **Outreach**

- Stakeholder outreach
- Beneficiary outreach letters

## **Administrative “set-up” process**

## **Delivery of BOND services**

- Benefits counseling received when initiated by the beneficiary

# Overview of Findings from Stage 1

---

- ❧ **BOND was implemented on time**
- ❧ **Random assignment: implemented as envisioned**
- ❧ **At the time of the Stage 1 Early Assessment Report, fewer than 11% of participants made contact to inquire about BOND**
- ❧ **Additional outreach in 2013 will likely increase the number of Stage 1 beneficiaries in contact with BOND**

# Overview of Findings from Stage 1 (cont.)

---

- ❧ **The initial rollout of BOND left some information and service delivery challenges that will likely improve over time**
- ❧ **There were few offset payments during analysis period for the early assessment report**

---

# Findings from the Stage 2 Early Assessment Report

# BOND Outreach and Enrollment

- ❧ **BOND exceeded the overall enrollment goal of 12,600 beneficiaries with nearly all sites reaching or exceeding their individual targets**
- ❧ **Staff turnover created some disruptions with enrollment, although disruptions were mitigated by shifting staff responsibilities**
- ❧ **Multiple factors may have affected enrollment**
  - **Misunderstanding of demonstration and general mistrust of government**
  - **Complex and confusing outreach letters**
  - **Beneficiaries who were not able to work and/or fearful of working**



# BOND Outreach and Enrollment (cont.)

---

- ❧ **Still, Stage 2 random assignment was successful in creating three well-matched assignment groups at baseline—T21, T22, and C2**

# WIC and EWIC Services

- ❧ **WIC and EWIC providers are well-respected agencies with experience providing benefits counseling and employment services to individuals with disabilities**
- ❧ **Three key differences in WIC and EWIC services**
  - **EWIC counselors use proactive outreach**
  - **EWIC counselors use a more systematic approach to assessing employment goals**
  - **EWIC counselors are more oriented to providing follow-up on almost all cases**

# WIC and EWIC Services (cont.)

---

- ❧ **Caseloads not as different as originally intended, mainly due to lower than anticipated take-up of WIC services by T21 and T1 subjects**
- ❧ **A large majority (97%) of T22 subjects have had some contact with an EWIC counselor as designed (compared to 28% of T21 subjects)**
- ❧ **WIC and EWICs make similar service referrals, but EWIC counselors provide more follow-up on referrals**

# Pathway to the Offset

- ❧ **As of December 31, 2012, 2 percent of Stage 2 beneficiaries had used at least one month of the offset**
  - Roughly a quarter had started at least one step in the process
  - Represents about 9% of treatment subjects who have used at least one Trial Work Period (TWP) month
- ❧ **Accessing the offset takes multiple steps requiring involvement from the beneficiary, benefits counselor, and SSA**

# Pathway to the Offset (cont.)

---

- ❧ **Beneficiaries sometimes get delayed in the pipeline, but the implementation team continues to make improvements to streamline the process**
- ❧ **As is the case under regular SSDI program rules, consequences of delayed benefit adjustment would be overpayments and incorrect payments**

# Communication and Coordination

**❧ The complexity of the demonstration created some difficulty with clear and consistent communication**

- Lack of clarity about whom to contact for different needs
- Lack of clarity about the roles and responsibilities of different individuals and entities involved in BOND
- Frequent changes to policies and procedures

**❧ When communication and coordination issues arose in the operation of the demonstration, the Implementation Team and SSA made changes to BOND procedures and tools**

# Monitoring and Tracking

---

- ❧ **Field staff became more comfortable with the BOND data system over time, but continued to recommend areas that could be improved**
- ❧ **Data entry practices varied within and across sites, attributed to high caseload demands and prioritizing service provision over data entry**
- ❧ **Access to technology such as laptops, phones, and scanners was a frustration, but not a major hurdle for monitoring and tracking**

# Conclusions

---

- ❧ **BOND is an evolving demonstration with ongoing efforts to make procedures more efficient, accurate, and timely through staff training, data systems improvements, and accrued experience by field staff**
- ❧ **Though there were some uneven recruitment efforts across sites and over time, collectively, the demonstration exceeded the overall enrollment goal**
- ❧ **More information is needed to determine the extent to which WIC and EWIC services differ**



# Evaluation Analysis and Reporting Schedule

 **Data Collection 2011-2015**

 **Data Analysis 2012-2017**

 **Stage 1 Reports:**

- Annual Impact Reports: 2012-2016
- Interim Reports: 2015 and 2017

 **Stage 2 Reports:**

- Annual Impact Reports: 2014-2017
- Interim Report: 2016

 **Synthesis Reports: 2014 and 2017**

---

# Discussion

# For More Information

---

## Please contact:

- **Michelle Wood, Project Director**
  - [michelle\\_wood@abtassoc.com](mailto:michelle_wood@abtassoc.com)
  - (301) 634-1777