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

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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
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
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

Eligible DI Only Beneficiaries: Stage 2 Solicitation Pool

Recruitment & Informed Consent

RIC

Stage 2 Volunteers

Stage 2 RA

$1 for $2 Offset

T21

T22

Control Group

$1 for $2 Offset with Enhanced Work Incentives Counseling
Study Design – Stage 1

All DI beneficiaries in a site are randomly assigned into 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.
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 services
- 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

- 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
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.
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
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
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
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:

Synthesis Reports: 2014 and 2017
Discussion
For More Information

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