

Use of Financial Incentives to Encourage SSDI Beneficiaries to Work: Implementation Findings from the Benefit Offset National Demonstration (BOND)

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Outline of Talk

- **Social Security Disability Insurance (DI) work incentives**
- **Findings from focus groups with BOND subjects**
- **Findings from the Process Study Report**
- **Discussion**

Social Security DI Work Incentives

Background

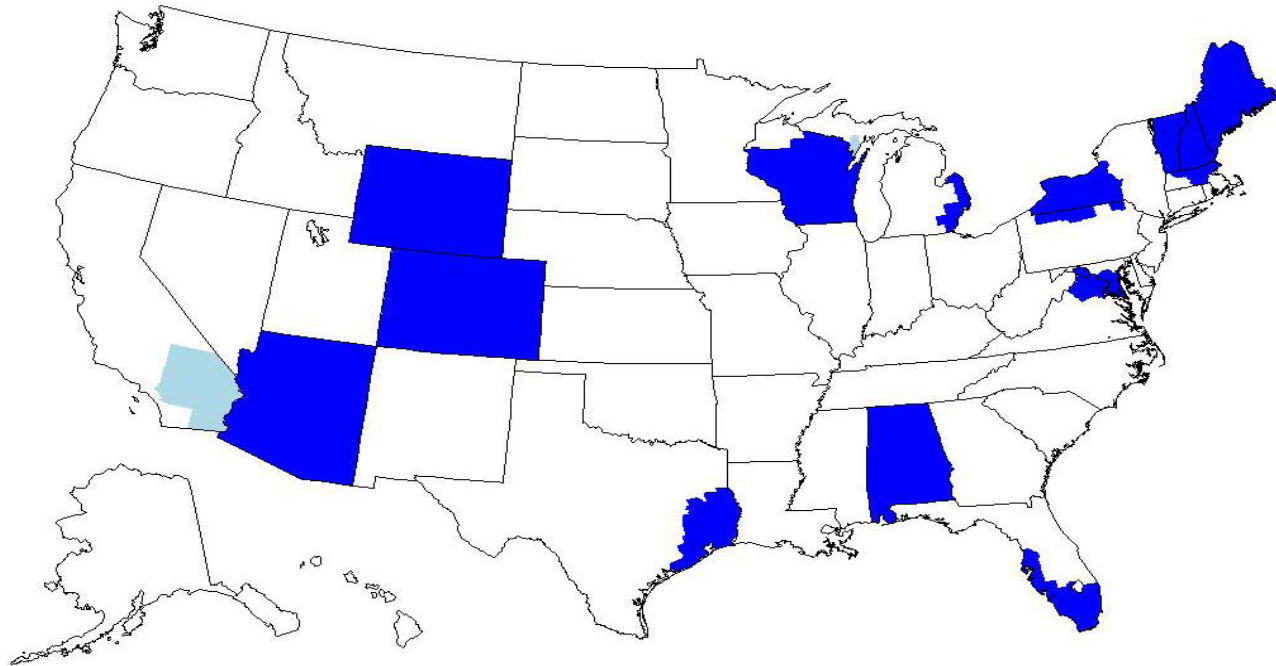
- **People with disabilities who are no longer able to work may rely on DI for income assistance**
- **In recent decades, the number of DI beneficiaries and associated outlays have grown dramatically**
- **Over a decade, about 25 percent of new DI beneficiaries go back to work, but only 3–4 percent earn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

DI Work Disincentives: 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 under current program rules**
 - **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 (BOND)

- **Funded by the Social Security Administration**
 - Study conducted by Abt and Mathematica
- **10 sites intended to yield nationally-representative results**



Variation in BOND Site Characteristics

- **Physical characteristics**
 - Regional location
 - Size and population density
 - Number of states
- **Economic conditions**
- **Service environment**
 - Ticket to Work
 - Medicaid Buy-In
 - Disability Employment Initiative
- **BOND service providers**

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 (under BOND intervention)**
 - 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**

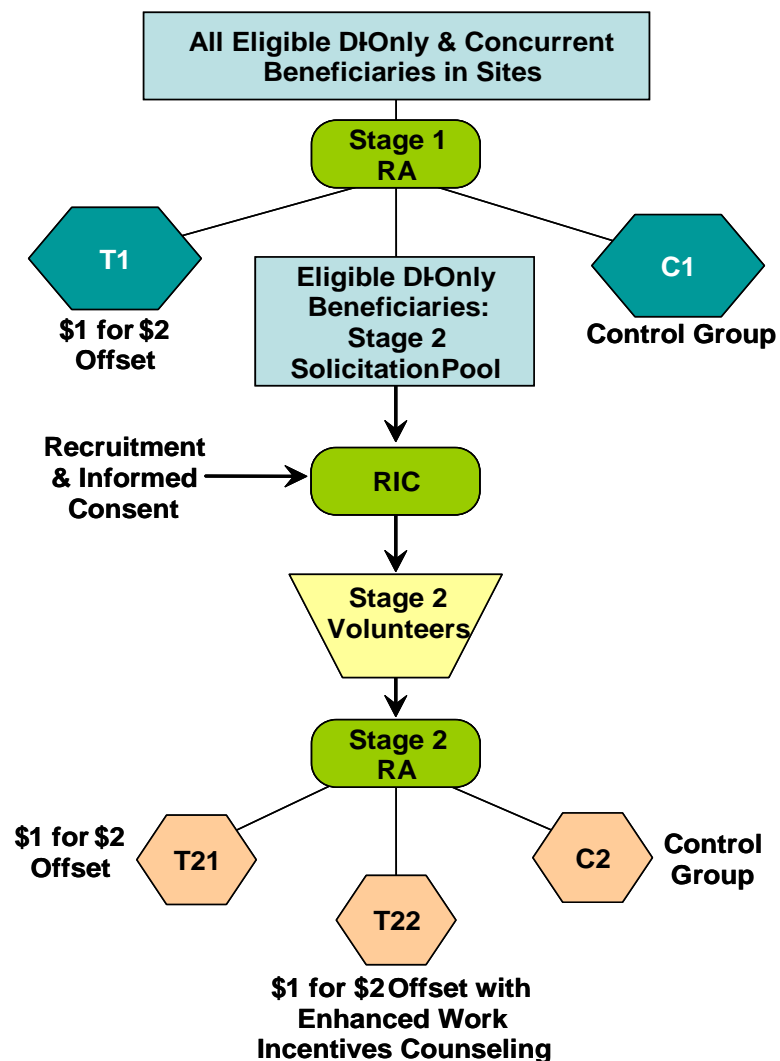
BOND Study Design: Two Stages

- **Stage 1**

- Impact of offset availability on the DI population as a whole
- Not voluntary

- **Stage 2**

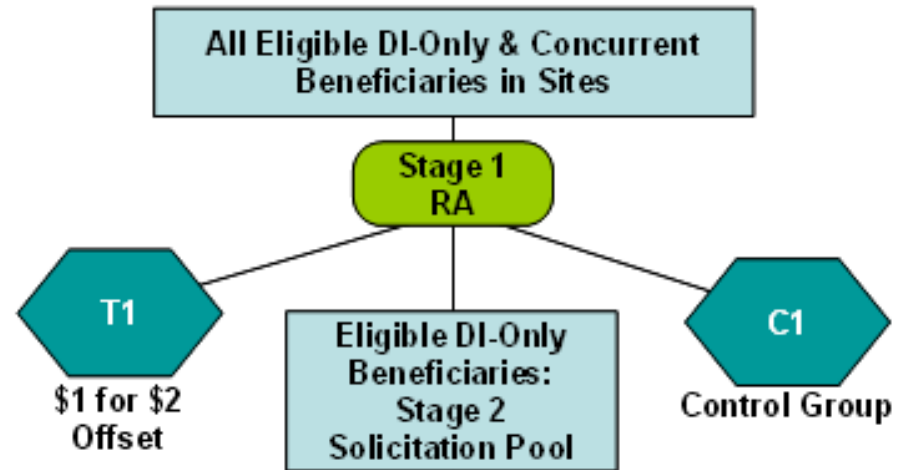
- Impact of the offset on those most likely to use it
- Effect of enhanced benefit counseling on offset utilization and impact
- Recruited and informed volunteers



Study Design—Stage 1

- **All DI beneficiaries in a site are randomly assigned into three groups**

- **T1: Receive benefit offset and Work Incentives Counseling (WIC) services (80,000)**
- **C1: Current law control group (600,000)**
- **Stage 2 solicitation pool: invited to volunteer for the second stage of BOND (315,000)**

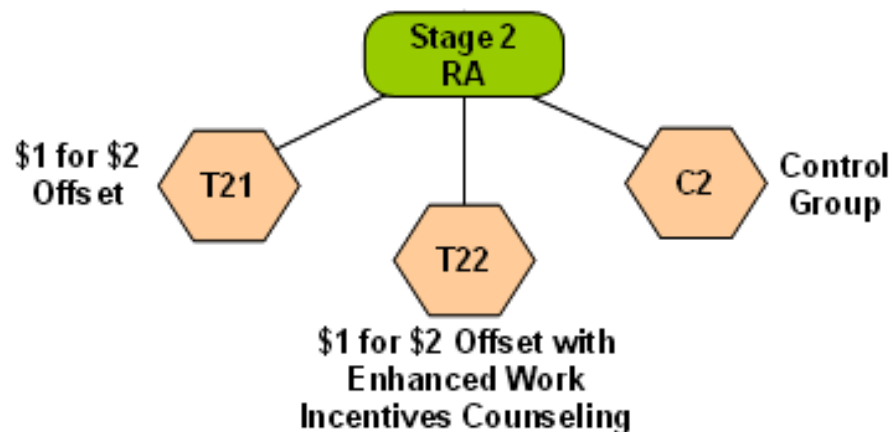


Stage 1 Enrollment

- **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 a 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 Enhanced Work Incentives Counseling (EWIC) services**
 - **C2: Current law control group**



Difference Between WIC and EWIC

- **Compared with WIC, EWIC services provide:**
 - proactive outreach
 - a more formal assessment of work readiness
 - more support related to preparation for employment
 - regular follow-up
- **WIC beneficiaries (T1 and T21) are required to contact their counselor for services**

Process Study Research Questions

- **How was the intervention implemented for Stage 1 and Stage 2 within and across sites? How did implementation change over time?**
- **Was the intervention implemented as designed?**
 - Recruitment and enrollment processes
 - Processes for reporting earnings, determining offset entry, and making benefit adjustments
 - WIC and EWIC services
- **What are the likely implications of the process findings for demonstration outcomes?**
- **What are the lessons for national implementation of a benefit offset, future efforts to improve the design of DI, and broader disability policies?**

Process Study Data Sources

- **Key informant interviews**
- **Focus groups with BOND subjects**
- **Subject surveys (Stage 2 baseline)**
- **BOND operations data**
 - Outreach, intake, and random assignment
 - Receipt of benefits counseling services
 - Benefit adjustment processing

Findings from Focus Groups with BOND Subjects

Why Focus Groups?

- **Qualitative research method to:**
 - Provide insights into individuals' experiences
 - Help explain or interpret quantitative findings
 - Raise new research questions

Systematic Preparation for Focus Groups

- **Recruitment for 2 focus groups at each BOND site:**
 1. **Individuals assigned to enhanced benefits counseling (EWIC)**
 2. **Individuals assigned to standard-intensity benefits counseling (WIC)**
- **Facilitator trainings**
- **Discussion guides**

Focus Groups Completed in All Sites

- **20 focus groups completed, total**
- **7 attendees per group, on average**
- **Each focus group led by facilitator, assisted by note taker**

Methods for Analyzing Focus Groups

- **Process**

- First identified site-specific themes and summary points
- Then synthesized cross-site themes and insights

- **Limitations**

- Attendees not necessarily representative of all BOND participants
- Only hear about the experiences attendees share during the group

Themes: Initial Impressions of BOND

- **Perceived Appeal of BOND**
 - Opportunity to maintain benefits while working and earning more
 - Job placement*
- **Experience with Enrollment**
 - Challenges connecting with BOND staff
 - Desire to understand more about BOND earlier in the process
 - Perception of enrollment process as helpful, informative

*Not offered under BOND.

Themes: Experiences with Benefits Counseling

- **Counseling Relationship**

- Intensity of EWIC vs. WIC counseling relationships with participants matched program design
- Participants with EWIC counselors found relationship motivating regarding finding and maintaining work

- **Counseling Services Received**

- WIC counselors helped with understanding rules, completing paperwork, service referrals
- In addition to standard supports, EWIC counselors also helped with referrals for employment-related activities

- **Satisfaction with Counseling Services**

- Pleased with counselors who connected them to services and resources
- Displeased with counselor turnover

Themes: Experience with Program Structure

- **Unmet Service Needs**
 - Challenges with accessing vocational rehabilitation services (VR)
 - Desire for more support re: training and employment
- **Understanding of BOND and SSA Rules**
 - Some confusion around the “regular,” non-BOND SSA disability rules
 - Participants with EWIC counseling typically had a better understanding of BOND rules relative to participants with WIC counseling

Themes: Influence of BOND on Employment

- **Current Employment**
 - Both working and non-working individuals attended
- **Barriers to Work**
 - Reduction or loss of non-BOND benefits
 - Fear of jeopardizing SSDI safety net
 - Medical situation
 - Lack of available jobs
 - Lack of training for appropriate jobs
- **Influence of BOND on Work and Earnings**
 - Focus group participants said that they were more interested in and motivated to work
 - Some focus group participants said that they increased the number of hours that they worked and their earnings

Themes: Benefit Adjustment Process

- **Experience of Benefit Adjustment**
 - Few focus group participants said that they had experienced benefit adjustment
 - Some said that they had anxiety over the prospect of benefit adjustment
- **Experience of Overpayments and Incorrect Payments**
 - Improper payments were fairly common among focus group participants receiving adjusted benefits
 - Focus group participants' reactions seemed to vary based on how well the counselor prepared them

Themes: Overall Perceptions and Suggestions

- **Perceptions of focus group participants**
 - **Counseling alone does not necessarily lead to successful employment**
 - In particular, desire for training and assistance with finding jobs
 - **Confusion around SSA rules and BOND rules**
 - **Benefit amount is still at poverty level, even with offset**
 - **Some mistrust of the BOND program, but attendees were mostly positive**
 - **Sense of empowerment due to BOND**
- **BOND focus group participants' suggestions**
 - **Assist beneficiaries with skills training and finding work**
 - **Provide additional resources and information about BOND**

Findings From the Stage 1 and 2 Early Assessment Reports

Early Implementation Findings – Stage 1

- **Stage 1 – Early Implementation Assessment (May – October 2011)**
- **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**

Stage 1 Findings (cont.)

- **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**

Early Implementation Findings – Stage 2

- **BOND exceeded the overall enrollment goal of 12,600 beneficiaries with nearly all sites reaching or exceeding their individual targets**
- **Despite some disruptions to enrollment, Stage 2 random assignment was successful in creating three well-matched assignment groups at baseline—T21, T22, and C2**

Stage 2 (cont.)

- **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
- **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**

Findings from The Process Study Report

Data Sources

- **Site visits to each of the BOND study sites (August – October 2013)**
- **Focus groups with beneficiaries**
- **Telephone interviews, discussions, and email communications with the Implementation Team**
- **Administrative data**
 - **BOND Operations Data System (BODS)**
 - **Stage 2 baseline beneficiary survey**

Study Sites and Service Environment

- **BOND sites differ on a variety of dimensions.**
 - Geography
 - Employment rate
 - Availability of disability services
- **Vocational Rehabilitation is the primary employment service provider for BOND beneficiaries, according to respondents, access to and quality of services varies within and across sites.**

BOND Outreach and Enrollment

- **Additional T1 outreach was conducted by BOND Call Center staff in two phases.**
 - July-November 2012 – Targeted a group composed primarily of those having evidence of earnings (10,338)
 - April 2013 – April 2014 – Targeted to the remainder of T1 subjects not yet engaged with the demonstration (60,345)
- **Additional outreach efforts to T1 subjects appear to have resulted in increases in beneficiary phone contacts and intake record setups, WIC assignments and WIC caseloads, and submissions of Annual Earnings Estimates (AEEs).**

BOND Benefits Counseling

- **Consistent with the program design, there is a clear difference in the quantity and nature of counseling received by beneficiaries assigned to WIC as compared to EWIC counseling services, both collectively and across sites.**
- **Two factors may influence impact estimates**
 - **Interruption of the Work Incentives Planning and Assistance (WIPA) program**
 - **WIC staff had responsibility for providing some post-entitlement services whereas CWIC staff do not**

BOND Benefits Counseling (cont.)

- **The take up rate was lower than expected for WIC services (T1 and T21 subjects) and met expectations for EWIC services (T22 subjects).**
- **Counselors report that post-entitlement work takes a great deal of time and effort to complete. Some are also dissatisfied because they think this work puts them in the position of acting as an agent for SSA, rather than their clients**
- **In many sites, post-entitlement work is now being performed by contractor staff at a central office, rather than the counselors.**

Using the Benefit Offset

- **As of December, 2013, SSA had identified 2.2 percent of Stage 1 treatment subjects as offset users.**
- **SSA identified 7.3 percent of Stage 2 offset users**
 - By design, they are enrolled in the demonstration through a different process
 - Different characteristics than Stage 1 subjects
- **There are two pathways by which treatment subjects may have their benefits adjusted under the benefit offset rules.**
 - Proactively (*front door*)
 - Passively (*back door*)

Using the Benefit Offset (cont.)

- **Early delays in the identification of offset users and subsequent adjustment of benefits under the offset rules were lengthy due to the backlog of work CDRs. This process became more timely as the demonstration has evolved, although some delays remain.**
- **Delays with benefit adjustment, which are inevitable when beneficiaries do not proactively seek benefit adjustments, lead to improper payments.**
 - **Improper payments would have been larger had the beneficiary not been in BOND.**
 - **Still, improper payments caused financial hardship and created negative attitudes toward employment and the demonstration.**

Conclusions

- **The intensity of outreach appears to have direct implications for program awareness and use.**
- **WIC and EWIC services differed substantially in both the quantity and nature of services provided.**
- **Nearly all subjects in the EWIC group received some benefits counseling, compared to about a third of the WIC group.**
- **Even though there were differences between WIC and CWIC services, we have no reason to think that the differences will influence study findings.**

Conclusions (cont.)

- **The percentage of treatment subjects who have used the offset is steadily growing.**
- **The pathway of benefit adjustment may be related to awareness and understanding of the offset.**
- **Inadequate understanding of the effect of earnings on benefits coupled with delays in the adjustments of benefits may have delayed the impact of the benefit offset on earnings for some treatment subjects.**

For More Information

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