



Social Security Disability Insurance (SSDI) Demonstration Projects

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Summary

Since 1980, Congress has authorized the Social Security Administration (SSA) to conduct demonstration projects to test changes to the agency's Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs. The demonstration authority granted by Congress allows the SSA, on its own, to temporarily waive program rules, including rules regarding program eligibility and benefit administration, in order to test the impact these changes would have on the return to work rate of program beneficiaries and the size of the SSDI and SSI benefit rolls.

The most recent authorization for the SSA to conduct demonstration projects expired in 2005. At that time, the SSA was in the process of planning and administering eight SSDI demonstration projects. Four of these demonstration projects have been completed, two were cancelled, and two are ongoing.

In 2004 and 2008, the Government Accountability Office (GAO) criticized the SSA for its administration of its disability demonstration projects. The GAO found that the SSA did not use the authority granted to it by Congress to test a wide enough variety of program options and did not have in place a system to identify program changes and policy options that should be tested in demonstrations. In addition, the GAO criticized the SSA for the methodological limitations of some of its demonstration projects and found that the results of these projects were not properly shared within the agency, with Congress, or with the public. Because of this, the GAO concluded that SSA demonstration projects had little impact on the overall policy debate or on the ways that Congress and the agency could work to improve the historically low return to work rate of SSDI and SSI beneficiaries and reduce the rolls of these large disability benefit programs.

This report presents a summary of the four completed and two ongoing SSDI demonstration projects. The objective of this information is to aid Congress in its ongoing discussions of the future of the SSA disability benefit programs and the decision to temporarily or permanently extend the demonstration authority of the agency.

This report will be updated to reflect any relevant legislative activity.

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Social Security Disability Benefit Programs

The Social Security Administration (SSA) administers two programs, Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), that provide income and benefits to persons unable to work because of serious disabling conditions.¹ In both programs disabled individuals must pass the same statutory test of disability as outlined in Titles II and XVI of the Social Security Act.²

Social Security Disability Insurance

The SSDI program pays benefits to disabled individuals under the provisions of Title II of the Social Security Act. SSDI benefits are paid to those who meet the statutory test of disability and have completed a five-month waiting period from the onset of disability.³ SSDI is an insured program and beneficiaries must have sufficient work histories in employment covered by Social Security to qualify for benefits.⁴ Benefits and administrative costs are paid out of the Disability Insurance Trust Fund which is funded by a portion of the payroll taxes collected on earnings. The SSDI program pays monthly benefits based on past earnings and, after two years, participants are eligible to receive Medicare.⁵ Benefits are also paid to the spouses and dependent children of SSDI beneficiaries.

In May 2011, the SSDI program paid benefits to nearly 10.4 million people, including more than 8.3 million disabled workers, 162,000 of their spouses, and 1.8 million of their dependent children. That month, the SSDI program paid out more than \$9.6 billion in benefits with disabled workers each receiving an average monthly cash benefit of \$1,069.20.⁶

Supplemental Security Income

Under the provisions of Title XVI of the Social Security Act, disabled individuals are entitled to benefits from the SSI program if they meet the statutory test of disability and have income and assets that fall below program guidelines. SSI benefits are paid out of the general revenue of the United States and all participants receive the same basic monthly benefit.⁷ In most states adults

¹ For more information on the SSDI and SSI programs, see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

² 42 U.S.C. §§ 423(d) and 1382c. A person is disabled under the terms of the statute if he or she is unable to engage in any substantial gainful activity (for 2011 earnings of \$1,000 per month for non-blind persons and \$1,640 per month for blind persons) because of a medically determinable physical or mental impairment. This impairment must be expected to result in the impaired person's death, or be expected to last at least 12 consecutive months. In addition, this impairment must prevent a person from engaging in his or her previous work or in any other work that exists in the national economy. Special rules apply to persons who are blind.

³ For more information on the five-month waiting period, see CRS Report RS22220, *Social Security Disability Insurance (SSDI): The Five-Month Waiting Period for Benefits*, by Umar Moulta-Ali.

⁴ A detailed explanation of the insurance requirements can be found in CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

⁵ For more information, see CRS Report RS22195, *Social Security Disability Insurance (SSDI) and Medicare: The 24-Month Waiting Period for SSDI Beneficiaries Under Age 65*, by Scott Szymendera.

⁶ Social Security Administration, *Monthly Statistical Snapshot, May 2011*, June 2011, Table 2, http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html. Hereafter cited as *SSA Monthly Statistical Snapshot*.

⁷ The basic monthly federal benefit amount for 2011 is \$674 for a single person and \$1,011 for a couple. This amount is (continued...)

who collect SSI are automatically entitled to coverage under the Medicaid health insurance program.⁸

In May 2011, over 8 million people, including 1.2 million disabled children, received SSI benefits. That month, these SSI beneficiaries each received an average benefit of \$499.80 and the program paid out a total of more than \$4.4 billion in SSI cash benefits.⁹

Legislative History of the SSA's Disability Demonstration Authority

The Social Security Disability Amendments of 1980

Congress first granted the SSA the authority to conduct disability demonstration projects with the passage of the Social Security Disability Amendments of 1980.¹⁰ The 1980 amendments conferred upon the SSA the authority to conduct SSDI demonstration projects for five years and permanent authority to conduct SSI demonstration projects. The 1980 amendments also outlined the type of demonstration projects that should be undertaken and the rules that should govern these projects.

The House version of the 1980 amendments, H.R. 3236, directed the SSA to conduct demonstration projects to test alternative ways to treat work within the SSDI program. Included in these demonstrations was to be a test of a graduated benefit offset that would allow SSDI recipients earning above the SGA level to keep some of their benefits. In its report on the bill, the House Committee on Ways and Means stated that “research findings in this area are urgently needed for enlightened policy determinations in dealing with SGA and related problems.”¹¹ This test of a graduated benefit offset is now being conducted as part of the Benefit Offset National Demonstration (BOND).

In addition to directing the agency to conduct certain SSDI demonstrations, the House bill granted the SSA the authority to waive program rules and conduct other SSDI demonstrations. The House bill required that these demonstrations be of sufficient size and scope to produce generalizable conclusions and mandated that the agency report to Congress on planned

(...continued)

supplemented by a majority of the states and the District of Columbia. A participant in the SSI program receives the federal benefit amount, plus any state supplement, minus any countable income. SSI benefits are not available to residents of Puerto Rico, Guam, or the United States Virgin Islands. Residents of these jurisdictions are eligible to receive federal benefits from their commonwealth or territorial government under provisions of Titles I, X, XIV and XVI of the Social Security Act. These benefits are administered by the Department of Health and Human Services.

⁸ For more information on Medicaid for persons with disabilities, see CRS Report R41899, *Medicaid Eligibility for Persons Age 65+ and Individuals with Disabilities: 2009 State Profiles*, by Julie Stone.

⁹ Because SSI benefits are reduced by countable income, the average monthly SSI benefit is lower than the basic federal benefit amount. SSA *Monthly Statistical Snapshot*, Table 3.

¹⁰ P.L. 96-265.

¹¹ U.S. Congress, House Committee on Ways and Means, *Disability Insurance Amendments of 1979*, report to accompany H.R. 3236, 96th Cong. 1st sess., H.Rept. 96-100 (Washington: GPO, 1979), p. 7.

demonstrations 90 days before they were to begin. The demonstration authority granted to the SSA by the House bill would expire with a final report to Congress on January 1, 1983.

The Senate version of H.R. 3236 similarly directed the SSA to conduct SSDI demonstrations that would test various program alternatives. In addition, the Senate version granted the SSA the authority to waive SSDI program rules and conduct demonstrations, provided that these demonstrations were of sufficient size and scope to produce generalizable conclusions. As in the House bill, the Senate bill required the SSA to notify Congress 90 days before beginning any SSDI demonstration.

The Senate bill differed from the House version in three areas. First, the SSDI demonstration authority in the Senate bill would extend for five years after passage rather than three with only an interim report due on January 1, 1983. Second, the Senate bill allowed the SSA to waive some provisions of the existing human subjects protection rules found in Title II of the National Biomedical Research Fellowship, Traineeship, and Training Act,¹² and this provision was not included in the House version. Third, the Senate bill granted the SSA permanent authority to conduct SSI demonstration projects and pay for them out of the agency's annual SSI appropriation, a measure not found in the House version.

The final version of the bill included all of the Senate provisions, with the exception of the provisions related to the protection of human subjects. To replace these, the conference committee used language from another House bill, the Supplemental Security Income Disability Amendments of 1979, H.R. 3464, that required that SSI demonstrations be conducted on voluntary test subjects and that no demonstration project participant lose benefits because of their involvement in a project.¹³ The final bill then gave the SSA permanent SSI demonstration authority and temporary SSDI demonstration authority that would last until 1985.

Extensions of SSDI Demonstration Authority

Although Congress granted the SSA permanent authority to conduct SSI demonstration in the 1980 amendments, the authority given the agency to conduct SSDI demonstrations was temporary and expired in 1985. Since 1985 Congress has passed five temporary extensions of the agency's SSDI demonstration authority. The most recent of these extensions expired in 2005 leaving the SSA without the authority to begin any new SSDI demonstration projects.

Congress first extended the agency's SSDI demonstration authority in 1986 with the passage of the Consolidated Omnibus Budget Reconciliation Act of 1986.¹⁴ Section 2101 of this act extended the SSDI demonstration authority of the SSA until 1990. Before this expiration date, Congress further extended the agency's SSDI demonstration authority with the passage of the Omnibus Budget Reconciliation Act of 1989.¹⁵ Section 10103 of this act extended the agency's

¹² P.L. 93-348.

¹³ H.R. 3464 included a variety of changes to the SSI program and passed the House but was not acted on by the Senate.

¹⁴ P.L. 99-272.

¹⁵ P.L. 101-239.

SSDI demonstration authority until 1993. This authority was further extended until 1995 by Section 315 of the Social Security Independence and Program Improvements Act of 1994.¹⁶

When the SSA's authority to conduct SSDI demonstrations expired in 1995, it was not renewed again until the passage of the Ticket to Work and Work Incentives Improvement Act of 1999, which granted the agency a five year extension of its demonstration authority.¹⁷ This authority was extended a final time in 2004 with the passage of the Social Security Protection Act of 2004.¹⁸ Section 401 of this act granted a final extension of the agency's demonstration authority until December 2005. With the expiration of this provision the SSA currently does not have the authority to begin any new SSDI demonstration projects but does have the authority to continue with projects that began before the expiration of the demonstration authority.

Table I. Legislative History of SSA's SSDI Demonstration Authority

Public Law Number	Public Law Name	Expiration Date of Demonstration Authority
P.L. 96-265	Social Security Disability Amendments of 1980	June 9, 1985
P.L. 99-272	Consolidated Omnibus Budget Reconciliation Act of 1985	June 19, 1990
P.L. 101-239	Omnibus Budget Reconciliation Act of 1989	June 10, 1993
P.L. 103-296	Social Security Independence and Program Improvements Act of 1994	June 10, 1996
P.L. 106-170	Ticket to Work and Work Incentives Improvement Act of 1999	December 18, 2004
P.L. 108-203	Social Security Protection Act of 2004	December 18, 2005

Source: The Congressional Research Service (CRS).

The Ticket to Work and Work Incentives Improvement Act of 1999

The Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket to Work Act) made significant changes to the SSDI and SSI programs that were designed to assist beneficiaries in returning to the workforce and maintaining employment after the termination of benefits. The act established the Ticket to Work program which provides SSDI and SSI beneficiaries with a voucher, or ticket, that can be used to purchase public or private sector return to work services. This act also allows states to establish Medicaid buy-in programs that allow persons to maintain their medical coverage while working and extended Medicare coverage for working SSDI beneficiaries for an additional 54 months, giving them a total of 8.5 years of coverage. In addition, the act also extended the SSA's SSDI demonstration authority and mandated several types of demonstrations.

¹⁶ P.L. 103-296.

¹⁷ P.L. 106-170.

¹⁸ P.L. 108-203.

Demonstration Provisions

Title III of the Ticket to Work Act extended the SSDI demonstration authority of the SSA for a period of five years. In addition, Title III directed the SSA to conduct demonstration projects designed to evaluate the following:

- various alternative methods of treating the work activity of disability benefit recipients, including a reduction of benefits based on earnings;
- lengthening the Trial Work Period;
- altering the 24-month waiting period for Medicare benefits;
- altering the administration of the SSDI program;
- earlier referral of SSDI beneficiaries to vocational rehabilitation;
- greater use of employers to develop and implement new forms of vocational rehabilitation; and
- the implementation of a sliding scale of benefit offsets based on income.

Section 302 of the act further specified how the SSA should plan and administer sliding scale benefit offset demonstrations. Under the provisions of this section, the agency is required to plan and test demonstration projects that would evaluate the appropriateness and federal cost savings of a reduction of \$1 in SSDI benefits for every \$2 above SGA earned by a beneficiary. In addition, the evaluation of these demonstration projects is required to determine the effect of any induced entry or reduced exit from the SSDI program, the impact of the Ticket to Work program on the administration of the offset, and the savings to the federal government from the offset. This section, as well as Section 303 of the act, also mandates reports from the SSA and Government Accountability Office (GAO) to Congress on any demonstration projects as well as additional return to work issues.

GAO Evaluations of SSA's Use of Its Demonstration Authority

Section 303(e) of the Ticket to Work Act directed the GAO to study the results of the SSA's disability demonstration projects. The report, entitled *Social Security Disability: Improved Processes for Planning and Conducting Demonstrations May Help SSA More Effectively Use Its Demonstration Authority*, was released in November 2004. In the report, the GAO criticized the SSA for not testing a wide enough variety of policy alternatives in its demonstrations, for the methodological limitations of many past demonstrations, and for the SSA's lack of communication of the results of these demonstrations with the public, Congress, or within the agency.¹⁹ The report concluded that the SSA's disability demonstration projects had little impact on the overall efforts of the agency and Congress to improve the historically low return to work rate of SSDI and SSI program participants.

¹⁹ U.S. Government Accountability Office, *Social Security Disability: Improved Processes for Planning and Conducting Demonstrations May Help SSA More Effectively Use Its Demonstration Authority*, GAO-05-19, November 4, 2004.

Four years after the 2004 report, the GAO issued another report critical of the SSA's management of its demonstration projects.²⁰ In its 2008 report the GAO found that while the SSA had taken steps to improve agency management of disability demonstration projects, several problems found in the 2004 report remained, including a lack of research protocols to govern demonstration projects. As it had concluded four years earlier, the GAO in 2008 found that the SSA's demonstration projects had little impact on disability policy and the SSDI and SSI programs.

Lack of Variety in Policy Options Examined by SSA Demonstrations

The 2004 GAO report criticized the SSA for the lack of variety in policy options examined by its disability demonstrations. In the 24 years between the SSA's first being awarded demonstration authority and the publishing of this GAO report, the GAO found that the SSA had completed only four disability demonstration projects and that these largely focused on traditional return to work efforts based on vocational rehabilitation. The limited range of policy options tested by these four projects meant that, in the opinion of the GAO, the SSA had not properly tested the full range of return to work strategies and alternatives mandated by statute.

One area that the SSA did not properly test with a demonstration was the use of the private sector to provide rehabilitation services to SSDI and SSI recipients. This private sector model became the basis for the Ticket to Work program without having been tested by the agency despite having first been suggested to the SSA in 1989. The GAO also found that the SSA did not follow the directives of the Consolidated Omnibus Budget Reconciliation Act of 1990,²¹ which required the agency to test the advantages and disadvantages of allowing disability benefit recipients to choose from both public and private sector vocational rehabilitation providers.

The GAO did indicate that a greater variety of policy options and alternatives was scheduled to be tested by the SSA's planned disability demonstration projects. However, the GAO also found that the SSA had no clear research agenda and thus no way of ensuring that the agency would continue to focus on a wide variety of policy options in its demonstrations. The GAO was not alone in this finding as the Social Security Advisory Board and National Academy of Social Insurance both found that the SSA lacked a clear research agenda that would guide future demonstration projects.²²

The 2008 GAO report found that since 1998, the SSA had initiated 14 demonstration projects, with six focused on SSDI, six on SSI, and two projects related to both programs. While this wide range of initiated projects points to a greater variety of policy options being tested by the SSA, the GAO found that five projects were cancelled and only four were completed. These completed projects were of limited scope and largely focused on reducing SSI participation through program waivers.

²⁰ U.S. Government Accountability Office, *Social Security Disability: Management Controls Needed to Strengthen Demonstration Projects*, GAO-08-1053, September 26, 2008.

²¹ P.L. 101-508.

²² Social Security Advisory Board, *Strengthening Social Security Research: The Responsibilities of the Social Security Administration* (Washington: GPO, 1998); National Academy of Social Insurance, *The Environment of Disability Income Policy: Programs, People, History, and Context*, August 1996, http://www.nasi.org/sites/default/files/research/Environment_of_Disability_Income_Policy.pdf.

Lack of Impact of SSA Demonstration Projects

In its 2004 and 2008 reports, the GAO found that the four demonstration projects completed by the SSA had little impact on the types of policy changes to the SSDI program considered by Congress and the agency. Congress and the SSA did not rely on the results of the demonstration projects to guide them in their decisions on what changes should be made to the SSDI program. The GAO blamed much of this lack of impact on the limitations in research design, implementation, and evaluation of the SSA's demonstration projects.

The GAO in 2004 found significant research design and methodological flaws with each of the SSA's completed demonstration projects. In one project, the GAO found that the sample size used was too small to produce any generalizable conclusions about the policy alternatives tested. This same project was also plagued by a lack of any evaluation plan. In two other projects, multiple versions of the same policy interventions were tested without properly taking into account the differences across sites. In one of these projects, the reliance on states to collect data was seen as problematic. Agency officials told the GAO that these methodological limitations in their past demonstrations resulted in these projects not yielding useful information for the agency or the policy community but emphasized a new commitment from the SSA to improve the design and evaluation of future demonstration projects.

In 2008 the GAO found that the SSA continued to lack adequate protocols for the design, management, and evaluation of demonstration projects. In addition, the SSA research agenda was limited in scope and detail and was drafted without sufficient input from the public or outside stakeholders. The SSA also notified the GAO in 2008 that the agency did not plan on updating its research agenda to account for projects that have been cancelled or otherwise not completed. GAO concluded that SSA's overall research agenda was not comparable with that of other agencies such as the National Institute on Disability and Rehabilitation Research (NIDRR).

Lack of Communication of Demonstration Project Results

In 2004 the GAO faulted the SSA for the overall lack of communication of demonstration project results from the agency to Congress and the public. The GAO found that even within the SSA, there was no formal plan to properly disseminate demonstration project information or results. In addition, changes in SSA leadership during projects have resulted in some project results and conclusions not being considered by the agency. The GAO also found that the SSA lacked any sort of formal record of evaluations that have been planned, implemented, and concluded and found that in some cases, documents relating to project design and implementation were lost and information on some past demonstrations was available only by personally talking to employees who worked on the projects.

The GAO concluded that the SSA did not fulfill its statutory responsibility to inform Congress of the status and results of its demonstration projects. Despite statutory requirements that the agency submit to Congress reports on demonstration activities at the end of the authority periods in 1985, 1990, 1993, and 1996, the GAO found that the SSA only submitted the 1996 report. In addition, the GAO found that the SSA submitted required annual reports to Congress on demonstration activities in only seven of 16 required years. The GAO reviewed each of these reports and found that they often lacked information on policy implications, design limitations, and project costs.

Four years later, the GAO reported that SSA had improved its communication with Congress and was submitting required annual reports in addition to meeting with key congressional committees.²³ However, the GAO criticized the limited information provided by the SSA in its annual reports to Congress.

Status of SSDI Demonstration Projects

In its 2008 report the GAO identified eight demonstration projects that the SSA had begun under its SSDI demonstration authority before this authority expired in 2005.²⁴ Of these eight projects, six are related to the SSDI program and two are related to both the SSDI and SSI programs. The GAO further identified that two of these projects had been cancelled.²⁵ Four demonstration projects have been completed and two are ongoing. **Table 2** provides a summary of the status of the eight SSDI demonstration projects.

Completed SSDI Demonstration Projects

Accelerated Benefits Demonstration

Purpose

The purpose of the Accelerated Benefits demonstration project is to test the impact of providing immediate medical coverage on new SSDI beneficiaries. Under current program rules, these new beneficiaries are not eligible for Medicare coverage for a period of 24 months after receiving benefits.

Evidence shows that the lack of access to medical coverage during the 24-month Medicare waiting period can have a negative impact on the health, disability status, and employment of SSDI beneficiaries. Published data on the experiences of new SSDI beneficiaries found that during the 24-month Medicare waiting period, only 2.1% experienced medical improvements sufficient to remove them from the disability rolls. In addition, 11.8% of these beneficiaries died during the waiting period and at the end of the first 24 months of receiving SSDI benefits, 86.1% of new beneficiaries were still on the program rolls.²⁶ Survey data of new SSDI beneficiaries supports similar conclusions and found that during the 24-month waiting period new SSDI recipients were likely to go without necessary medical care, see their medical conditions deteriorate, and find themselves medically unable to work.²⁷

²³ The SSA's most recent annual report to Congress was submitted in May 2011 and is available online at http://www.ssa.gov/disabilityresearch/documents/Released_-_Enclosure_-_Section_234_Report_-_0519111.doc.

²⁴ The GAO also identified six SSI demonstration projects, three of which had been cancelled. This report does not provide information on SSI demonstration projects.

²⁵ This report does not provide any additional information on cancelled projects.

²⁶ Gerald F. Riley, "The Cost of Eliminating the 24-Month Medicare Waiting Period for Social Security Disabled-Worker Beneficiaries," *Medical Care*, vol 42, no. 4 (April 2004), pp. 387-394.

²⁷ Bob Williams, Adrienne Dulio, Henry Claypool, Michael J. Perry, and Barbara S. Cooper, *Waiting for Medicare: Experiences of Uninsured People With Disabilities in the Two-Year Waiting Period for Medicare* (New York: The Commonwealth Fund, 2004).

Table 2. Status of SSDI Demonstration Projects

Project	Focus	Status
Accelerated Benefits Demonstration	SSDI	Completed
Benefit Offset National Demonstration (BOND)	SSDI	Ongoing
Benefit Offset Pilot	SSDI	Completed
California RISE (HIV and autoimmune disorders)	SSDI	Cancelled
Early Intervention Demonstration	SSDI	Cancelled
Mental Health Treatment Study	SSDI	Completed
State Partnership Initiative (SPI)	SSDI and SSI	Completed
Youth Transition Demonstration	SSDI and SSI	Ongoing

Source: CRS table with information from U.S. Government Accountability Office, *Social Security Disability: Management Controls Needed to Strengthen Demonstration Projects*, GAO-08-1053, September 26, 2008, Social Security Administration, *Annual Report on Section 234 Demonstration Projects, May 2010*, May 2010, and Social Security Administration, *Annual Report on Section 234 Demonstration Projects, May 2011*, May 2011.

Evidence also shows, however, that the majority, perhaps as high as three-quarters, of SSDI beneficiaries do have some form of health insurance during the 24-month Medicare waiting period.²⁸ This insurance is provided by public sources, such as Medicaid or the Department of Veterans Affairs, or through private coverage obtained through a working spouse, COBRA coverage, or purchased on the open market. In selecting the sample for the Accelerated Benefits demonstration project, Mathematica Policy Research found that 87.3% of the SSDI beneficiaries initially contacted to participate in the demonstration had some form of health insurance during the 24-month Medicare waiting period.²⁹

This demonstration project targeted new SSDI beneficiaries without any other form of insurance in the hope that by providing them with immediate access to medical coverage the agency can increase their prospects for medical improvement and employment and decrease the amount of time they spend on the benefit rolls.

Research Design

The Accelerated Benefits demonstration project used an experimental design to study the effect of two medical benefit interventions on recent SSDI beneficiaries deemed likely to improve medically. The impact of the interventions on the health, disability program status, and employment of these beneficiaries were evaluated.

²⁸ L. Scott Muller, "Health Insurance Coverage Among Recently Entitled Disability Insurance Beneficiaries: Findings from the New Beneficiary Survey," *Social Security Bulletin*, vol. 52, no. 11 (November 1988), pp. 2-17; Gerald F. Riley, "Health Insurance and Access to Care Among Social Security Disability Insurance Beneficiaries During the Medicare Waiting Period," *Inquiry*, vol. 43, no. 3 (Fall 2006), pp. 222-230.

²⁹ Robert R. Weathers II, Chris Silanskis, and Michelle Stegman, et al., "Expanding Access to Healthcare for Social Security Disability Insurance Beneficiaries: Early Findings from the Accelerated Benefits Demonstration," *Social Security Bulletin*, vol. 70, no. 4 (November 2010), pp. 25-47. Hereafter cited as Weathers et al, 2010.

Sample Selection

The population of SSDI beneficiaries subject to selection for participation in the Accelerated Benefits demonstration project included those with the following characteristics:

- aged 18-54,
- did not have any form of private or public health coverage,
- did not receive benefits through a representative payee and thus are able to provide their own informed consent to participate in the project, and
- were within the first six months of SSDI entitlement.

Because the population only included SSDI beneficiaries who were within the first six months of benefit entitlement, any beneficiary who received his or her benefits after an appeal of an initial denial was essentially excluded from the population and later the sample.

Mathematica Policy Research conducted sample selection for the Accelerated Benefits demonstration project in two phases. In phase 1, a sample of beneficiaries meeting project criteria was selected from the Houston, Minneapolis, New York, and Phoenix metropolitan areas and yielded 66 participants, with 27 assigned to the AB Plus treatment group (additional information on the treatment groups is provided in the following section of this report), 13 assigned to the AB treatment group, and the remaining 26 assigned to the control group. Phase 2 selection took place in 51 of the 53 largest metropolitan areas in the country.³⁰

After the conclusion of phase 2 of the selection process, a total of 2,005 SSDI beneficiaries were enrolled in the Accelerated Benefits demonstration project, with 31% assigned to the AB Plus treatment group, 20% assigned to the AB treatment group, and the remaining 49% assigned to the control group.³¹

Interventions

Participants in the Accelerated Benefits demonstration project are randomly assigned into a control group, which received no interventions, or one of two treatment groups. The AB treatment group received comprehensive health insurance, which covers outpatient services, hospitalization, prescription drugs, and vision and dental care with no premiums. Copayments were required for most services and there was a \$100,000 lifetime cap on healthcare and a \$1,000 cap on dental care.

The AB Plus treatment group received the same health insurance as the AB treatment group as well as three additional interventions. First, members of the AB Plus treatment group received medical care management services provided by a third party. Each participant was assigned a primary care manager who helped the participants identify unmet healthcare needs and navigate the healthcare system.

³⁰ The Boston metropolitan area was excluded because of the Massachusetts health care law. The Buffalo metropolitan area was excluded because it had the highest rate of insurance among new SSDI beneficiaries.

³¹ One member of the AB Plus treatment group would later drop out of the demonstration project.

Second, the AB Plus treatment group was entitled to participate in the Progressive Goal Attainment Program (PGAP) designed by the University Centre for Research on Pain and Disability in Halifax, Nova Scotia.³² The PGAP program is designed to assist persons with disabilities break down some of the psychosocial barriers to participation in the rehabilitation and return to work process and improve the likelihood of persons with disabilities returning to work.³³

Third, participants in the AB Plus treatment group were given access to employment and benefits counseling. This counseling was designed to provide participants with information on employment programs and opportunities as well as provide information on how participating in employment programs or returning to work would affect their SSDI and other government benefits.

Evaluation

Because each of the Accelerated Benefits demonstration project participants had between 18 and 24 months remaining in their Medicare waiting period, all participants have since satisfied their waiting periods. Thus, the interventions provided by the demonstration project are no longer being offered and the demonstration project is completed. In November 2010 preliminary findings from the Accelerated Benefits demonstration project were published in the Social Security Bulletin.³⁴ In February 2011, the project's prime contactor, MDRC, published its final report on the Accelerated Benefits demonstration.³⁵

The evaluation of the Accelerated Benefits demonstration project found that nearly all treatment group participants used their health benefits for doctors visits, diagnostic testing, and prescriptions as the most used services. The average annual healthcare cost for treatment group participants was just over \$19,000 and nearly 6% reached the \$100,000 healthcare limit. Treatment group members received healthcare services at a higher rate than the control group.

Treatment group members reported fewer unmet healthcare needs than those in the control group and were less likely than control group members to delay or forgo healthcare for financial reasons. The treatment groups reported overall better levels of health than did members of the control group.

Members of the AB Plus treatment group were more likely than the AB treatment or control groups to use vocational rehabilitation and return to work services. The AB Plus group members were also more likely to have looked for employment. However, all three groups had the same employment levels.

³² Additional information on the PGAP program can be found online at <http://www.pdp-pgap.com/pgap/en/index.html>.

³³ Michael J. L. Sullivan, Michael Feurstein, and Robert Gatchel, et al., "Integrating Psychosocial and Behavioral Interventions to Achieve Optimal Rehabilitation Outcomes," *Journal of Occupational Rehabilitation*, vol. 15, no. 4 (December 2005), pp. 475-489.

³⁴ Weathers et al., 2010.

³⁵ Charles Michalopoulos, David Wittenberg, and Diana A. R. Israel, et al., *The Accelerated Benefits Demonstration and Evaluation Project: Impacts on Health and Employment at Twelve Months*, MDRC, February 2011, <http://www.mdrc.org/publications/597/full.pdf>.

Benefit Offset Pilot

Purpose

The SSA completed a four-state Benefit Offset Pilot demonstration project that was designed to provide information that the agency could use to implement the Benefit Offset National Demonstration (BOND). While it was expected that the pilot would yield some information on the impact of the specific interventions on project participants, the small sample size precluded any conclusions from this data. Specifically, the pilot was intended to provide answers to the following research questions:

- What are the most effective methods of keeping participants informed of project activities and of maintaining participation in the project?
- What are the most effective methods of informing participants about the demonstration and obtaining their consent to participate in the project?
- What are the most important problems and issues surrounding both the provision of the state-specific employment supports to project participants (i.e., benefits planning and the integration of these services with the benefit offset), and the best solutions?
- For whom does each of the state-specific employment support interventions appear to be the most effective?³⁶

Research Design

The Benefit Offset Pilot demonstration used an experimental design in which participants were randomly assigned to a treatment group that could take advantage of the benefit offset and a control group that followed the normal rules regarding the treatment of earnings by the SSDI program. Participants in both the treatment and control groups also received benefits counseling services provided by the states.

Sample Selection

The Benefit Offset Pilot was conducted in Connecticut, Utah, Vermont, and Wisconsin and each state was tasked with recruiting project participants. Participation was limited to working-age SSDI beneficiaries who were not more than 72 months past the conclusion of their trial work period. A total of 1,812 SSDI beneficiaries participated in the pilot with just under 51% assigned to the treatment group. **Table 3** provides the number of treatment and control group participants in each state.

³⁶ Alice Porter, James Smith, and Alydia Payette, et al., *SSDI \$1 for \$2 Benefit Offset Pilot Demonstration: Vermont Pilot Final Report*, Vermont Division of Vocational Rehabilitation, December 23, 2009. Hereafter cited as Porter et al, 2009.

Table 3. Participants in the Benefit Offset Pilot Demonstration, by State

State	Treatment Group Participants	Control Group Participants
Connecticut	126	127
Utah	242	244
Vermont	284	293
Wisconsin	266	230
<i>Total</i>	<i>918</i>	<i>894</i>

Source: Congressional Research Service (CRS) table with data from Connecticut Bureau of Rehabilitation Services, *Benefit Offset Pilot Demonstration: Connecticut Final Report*, December 7, 2009; Cathy Chambless, George Julnes, and Sara McCormick, et al., *Utah SSDI '1 for 2:' Benefit Offset Pilot Demonstration Final Report*, University of Utah Center for Public Policy & Administration, December 18, 2009; Alice Porter, James Smith, and Alydia Payette, et al., *SSDI \$1 for \$2 Benefit Offset Pilot Demonstration: Vermont Pilot Final Report*, Vermont Division of Vocational Rehabilitation, December 23, 2009; and Barry S. Dellin, Ellie C. Hartman, and Christopher W. Sell, et al., *Testing a SSDI Benefit Offset: An Evaluation of the Wisconsin SSDI Employment Pilot*, University of Wisconsin-Stout, Stout Vocational Rehabilitation Institute, July 2010.

Interventions

Members of the treatment group were able to take advantage of a benefit offset in which any earnings above SGA would not result in termination from the SSDI program but rather reduced the amount of the monthly SSDI benefit. The SSDI benefit was reduced by \$1 for every \$2 in earnings in a manner similar to the gradual reduction of SSI benefits due to earned income. The benefit offset only applied after the trial-work period was completed. In addition, treatment group members had their extended periods of eligibility for the SSDI program extended from 36 to 72 months after the completion of their trial-work periods, had their income assessed on an annual rather than monthly basis, were not subject to continuing disability reviews, and received benefits counseling services. Members of the control group only received benefit counseling services.

Evaluation

Each of the four states that participated in the Benefit Offset Pilot demonstration project prepared its own evaluation.³⁷ In addition, each state matched its participants with unemployment insurance records to develop information on the impact of the interventions on participant income. The SSA matched program participants with the agency's administrative data and income data from the Internal Revenue Service.

The primary goal of the Benefit Offset Pilot demonstration project was to inform the SSA on process issues to assist the agency in its implementation of the national demonstration. In their evaluations the states and the SSA found several problems with the processes used to track participants' earnings and calculate benefit offsets. In addition to this process information, the

³⁷ Connecticut Bureau of Rehabilitation Services, *Benefit Offset Pilot Demonstration: Connecticut Final Report*, December 7, 2009; Cathy Chambless, George Julnes, and Sara McCormick, et al., *Utah SSDI '1 for 2:' Benefit Offset Pilot Demonstration Final Report*, University of Utah Center for Public Policy & Administration, December 18, 2009; Porter et al, 2009; Barry S. Dellin, Ellie C. Hartman, and Christopher W. Sell, et al., *Testing a SSDI Benefit Offset: An Evaluation of the Wisconsin SSDI Employment Pilot*, University of Wisconsin-Stout, Stout Vocational Rehabilitation Institute, July 2010.

evaluations also showed that the interventions did result in a higher percentage of treatment group members with earnings above the substantial gainful activity level. The SSA's data match also showed that because of partial payments made to beneficiaries who otherwise would not have received SSDI because of earnings, there was an overall increase in total benefit spending.³⁸

Mental Health Treatment Study

Purpose

The purpose of the Mental Health Treatment Study (MHTS) demonstration was to determine the impact of treatment and rehabilitation services on the health and employment of SSDI recipients with mental disorders. This demonstration included nearly 2,000 SSDI beneficiaries diagnosed with either schizophrenia or affective disorder at 22 sites across the country. Specifically, the study was intended to answer the following research questions:

- To what extent does access to high quality mental health treatment and employment supports lead to better employment outcomes and other benefits?
- What are the characteristics of beneficiaries who elect to enroll in the study (e.g., insurance coverage, demographic profile)?
- What are the characteristics of beneficiaries who choose not to enroll?
- What are the costs of the services provided?
- What programmatic disincentives exist that create barriers to return-to-work?
- What specific programmatic changes can be made to support efforts to sustain competitive employment?³⁹

Mental disorders are the primary diagnoses in 22% of new SSDI awards to disabled workers, and 37% of awards to disabled workers under the age of 50.⁴⁰ Mental disorders are the second most common diagnosis among all new SSDI beneficiaries and the most common among workers under 50 years old.⁴¹ Mental disorders are also the most common diagnosis among all current SSDI disabled-worker beneficiaries.⁴²

The number of persons with mental disorders on the SSDI rolls is growing despite the fact that many mental disorders are treatable. In addition, evidence shows that through a combination of medical and rehabilitation services, many persons with mental disorders can be fully integrated into society and can return to employment.⁴³ However, the episodic nature of many mental

³⁸ Social Security Administration, *Annual Report on Section 234 Demonstration Projects, May 2011*, May 2011. Hereafter cited as SSA, *Annual Report on Demonstration Projects*, 2011.

³⁹ Ibid.

⁴⁰ Social Security Administration, *Annual Statistical Report on the Social Security Disability Insurance Program*, 2009, July 2010, Table 40.

⁴¹ Ibid., Table 41.

⁴² Ibid., Table 21.

⁴³ For a review of this evidence, see Laudan Aron, Martha Burt, and David Wittenburg, *Recommendations to the Social Security Administration on the Design of the Mental Health Treatment Study (MHTS)* (Washington: The Urban Institute, 2005).

disorders requires persons with these conditions to have access to ongoing medical and employment supports and these types of supports are not readily available through the vocational rehabilitation or Ticket to Work systems that are offered to SSDI and SSI beneficiaries. In addition, the lack of health coverage during the first 24 months on the SSDI rolls as well as gaps in the provided Medicare coverage leave some SSDI recipients with mental disorders unable to access the care they need.

Research Design

The MHTS used an experimental design with random selection of participants into treatment and control groups. Selected by the SSA for the project, demonstration participants were drawn from 22 geographic areas and consisted of adult SSDI recipients diagnosed with either schizophrenia or an affective disorder and who indicated a desire to work.

Sample Selection

The MHTS demonstration used a self-selected sample of participants from the 22 geographical areas listed in **Table 4**. This sample was drawn from a population of SSDI beneficiaries with the following characteristics:

- aged 18-55,
- primary diagnosis of either schizophrenia or affective disorder,⁴⁴
- not currently living in an institution or nursing home,
- not deemed legally incompetent,
- had no life threatening condition or other condition that is severe enough to prohibit them from engaging in competitive work, and
- indicated a desire to work.

The total sample for the MHTS demonstration consisted of nearly 2,000 beneficiaries.

Interventions

Participants selected for the control group received no interventions, but were exempted from having the SSA perform a Continuing Disability Review (CDR) of their status while they were participating in the demonstration. Members of the treatment group received the same protection from CDRs as well as a customized set of medical and employment supports provided by private-sector providers who were reimbursed for their services by the SSA. These medical services were to be based on the individual needs of the beneficiaries and consisted of both outpatient pharmaceutical and psychotherapeutic treatments and were to be coupled with other traditional employment supports.

⁴⁴ An affective disorder is a condition that results in disturbances to emotions or mood.

Evaluation

The primary contractor for the MHTS was Westat and a final report on the demonstration project is expected in July 2011. The SSA published several findings from the evaluation of the study in its 2011 SSDI demonstration annual report. Specifically, the SSA found that the treatment group had employment rates that were 20% higher than those of the control group and were employed longer and at higher wages than the members of the control group. In addition the SSA found that demonstration project participants were more likely to have affective disorder rather than schizophrenia and tended to have post-secondary education.⁴⁵

Table 4. Mental Health Treatment Study (MHTS) Demonstration Sites

State	City	State	City
Colorado	Denver	Maryland	Bethesda
Connecticut	Bridgeport	Massachusetts	Framingham
	Norwich	Minnesota	Spring Lake Park
District of Columbia	Washington	New Hampshire	Manchester
Florida	Fort Lauderdale	New York	New York
	St. Petersburg	Ohio	Mentor
Georgia	Smyrna	Oregon	Grant's Pass
Illinois	Chicago		Portland
	Peoria	South Carolina	Aiken
Indiana	Indianapolis	Texas	San Antonio
Kansas	Kansas City	Washington	Vancouver

Source: Congressional Research Service (CRS) table with information from William D. Frey, Susan T. Azrin, and Howard H. Goldman, et al., "The Mental Health Treatment Study," *Psychiatric Rehabilitation Journal*, vol. 31, no. 4 (2008), p. 309.

State Partnership Initiative

Purpose

The State Partnership Initiative (SPI) was a series of 18 state-level projects, with 12 financed by the SSA and six by the Department of Education, Rehabilitation Services Administration between 1999 and 2004.⁴⁶ The overall goal of the SPI was to test the impact of a wide variety of interventions and supports on the employment of SSDI beneficiaries, SSI recipients, and other persons with disabilities. Each state was given wide latitude in the types of interventions and services it provided as well as in research design. The SSA funded SPI projects in California, Illinois, Iowa, Minnesota, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Vermont, and Wisconsin.

⁴⁵ SSA, *Annual Report on Demonstration Projects*, 2011.

⁴⁶ This report focuses on the 12 SSA-financed projects.

Research Design

Each of the 12 SPI project states was free to design its own research methodology. Three of the 12 projects used an experimental design and randomly assigned SSDI beneficiaries and SSI recipients into treatment and control groups with the Oklahoma project having the most rigorous research design. Other projects attempted to match participants with comparable groups, such as all other beneficiaries, whereas others did not attempt any comparisons of participants and non-participants.

Sample Selection

The projects varied widely in their use of random sampling or any other type of sampling methodology. In some states, all participants were essentially self-selected and placed themselves in what was essentially the treatment group, which may have led to contamination of the treatment and control groups. In Ohio, for example, some members of the control group were on the waiting list for services provided to the treatment group.⁴⁷ Ultimately, each project provided services to an average of 600 participants.

Interventions

Each state was free to design its own set of interventions to provide to SPI participants. In its evaluation of the project, the Virginia Commonwealth University State Partnership Initiative Evaluation and Information Office (VCU) identified the most common interventions offered by the states that included benefits planning and assistance services, Medicaid waivers or a Medicaid buy-in program, and services provided through Department of Labor One-Stop centers.⁴⁸

Every state provided some form of benefits planning and assistance to SPI participants. Each state also provided some form of direct employment support with the most common supports coming through the use of the One-Stop centers and navigators and case managers designed to assist participants find necessary employment supports. Nine of the 12 states in the SPI project offered Medicaid buy-in programs that could be used by participants.

Evaluation

Each state was required to evaluate its SPI project and these evaluations were synthesized by the SSA and VCU. Specifically, VCU focused on the three states—New York, New Hampshire, and Oklahoma—that used experimental design to assess the impact of interventions in these states on the employment of project participants. VCU found that in New York and Oklahoma, the proportion of project participants who worked after one year increased by 9% to 18% relative to the control groups. In New Hampshire, however, the proportion of treatment group members that worked after one year dropped by 30% from the previous year relative to the control group. However, even despite the increase in the employment rate among participants in two states, the

⁴⁷ Virginia Commonwealth University State Partnership Initiative Evaluation and Information Office, *Conclusions Drawn from the State Partnership Initiative*, May 2006, p. 26. Hereafter cited as VCU, 2006.

⁴⁸ *Ibid.* For more information on Department of Labor One-Stop centers see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

interventions were found to have either no effect or a statistically significant negative effect on the earnings of project participants leading VCU to conclude

In summary, the SPI projects had a very weak effect on the employment of participants. The lack of a strong, positive effect appears to be caused by the inability of the SPI projects to deliver the amount and type of employment supports necessary to overcome barriers to employment faced by participants.⁴⁹

Ongoing SSDI Demonstration Projects

Benefit Offset National Demonstration

Purpose

The purpose of the BOND is to determine the impact of a graduated benefit offset program on the employment of SSDI beneficiaries. Under this graduated benefit offset program, SSDI beneficiaries who work in a given month will have their benefits reduced at a rate of \$1 for every \$2 in earnings above the SGA level. This type of graduated benefit offset is already used in the SSI program. In addition to the graduated benefit offset, demonstration participants will be provided with enhanced benefits counseling.

Congress mandated that the SSA test a graduated benefit offset system for SSDI recipients in both the Social Security Disability Amendments of 1980 and the Ticket to Work and Work Incentives Improvement Act of 1999. In the Ticket to Work Act, Congress added the requirement that a benefit offset demonstration also test if the graduated reduction of benefits after work above the SGA level resulted in an induced entry to or reduced exit from the SSDI program rolls.

The current SSDI and SSI programs differ in their treatment of the work activity and earnings of beneficiaries. Under SSI program rules, one half of all earned income in a month is counted by the SSA and used to reduce a beneficiary's monthly benefit payment, effectively allowing an SSI beneficiary to earn over twice as much as the maximum benefit rate and still collect some cash benefits.⁵⁰ Under SSDI program rules, any earnings above the SGA level in a given month, after the completion of the Trial Work Period, result in a loss of all cash benefits, a situation that is commonly referred to as the "cash cliff."⁵¹

This cash cliff is considered a significant barrier to the return to work efforts of many SSDI beneficiaries as it provides a financial disincentive to earning above the SGA level.⁵² It is hoped

⁴⁹ VCU, 2006, pp. 21-23.

⁵⁰ In addition, the first \$65 of earned income in a month is not counted. For more information, see CRS Report RS20294, *Supplemental Security Income (SSI): Beneficiary Income/Resource Limits and Accounts Exempt from Benefit Determinations* and CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, both by Umar Moulta-Ali.

⁵¹ The Trial Work Period consists of nine months within a rolling 60 month period. The nine months do not have to be consecutive. In addition, earnings spent on work expenses related to a disability are not counted.

⁵² See, for example, Monroe Berkowitz, "Improving the Return to Work of Social Security Disability Beneficiaries," in Jerry L. Mashaw, et. al., *Disability Work and Cash Benefits* (Kalamazoo, MI: W. E. Upjohn Institute for Employment Research, 1996); General Accounting Office, *Social Security: Disability Programs Lag in Promoting Return to Work*, (continued...)

that removing this cliff through a graduated benefit offset and providing a package of additional employment supports will encourage demonstration project participants to attempt to return to the workforce with the ultimate goal of full-time work and independence from the disability rolls.

Research Design

The BOND will use an experimental design to test the impact of the benefit offset and the enhanced benefits counseling on SSDI beneficiaries. Participants will be randomly selected and assigned into one of two treatment groups or a control group.

Sample Selection

The sample selection for the BOND will take place in two stages and all participants will come from 10 randomly selected geographic sites. In the first stage, approximately 80,000 SSDI-only and concurrent SSDI and SSI beneficiaries have been randomly selected into a single treatment group that will participate in the benefit offset. Approximately 580,000 beneficiaries have been selected for the control group.

In the second stage, approximately 340,000 SSDI-only beneficiaries will be randomly selected and asked to volunteer for the BOND. The SSA estimates that 12,600 beneficiaries will volunteer for the demonstration and that 4,800 of these volunteers will be randomly assigned to the control group. Of the remaining volunteers, 3,000 will be randomly assigned to participate in the benefit offset only and 4,800 will be randomly assigned to participate in the benefit offset and receive enhanced work incentives counseling.

Interventions

The primary intervention that will be tested by the BOND is the graduated benefit offset system. Under this system, SSDI recipients in the treatment groups will retain SSDI cash benefits if they work and earn above the SGA level. For each \$2 in earned income above SGA in a given month, these participants will have their cash benefit payments reduced by \$1.

In addition to the graduated benefit offset, members of one treatment group will receive enhanced work incentive counseling that will be more intensive than the benefits counseling already offered to SSDI beneficiaries through the Work Incentives Planning and Assistance program.

(...continued)

GAO/HEHS-97-46, 1997; General Accounting Office, *Social Security Disability Insurance: Factors Affecting Beneficiaries' Return to Work*, GAO/T-HEHS-98-230; National Council on Disability, *The Social Security Administration's Efforts to Promote Employment for People with Disabilities: New Solutions for Old Problems* (Washington: GPO, 2005); Bonnie O'Day, "Policy Barriers for People with Disabilities Who Want to Work," *American Rehabilitation*, vol. 25, no. 1 (1999), pp. 8-15; and Joann Simm, "Improving Return-to-Work Strategies in the United States Disability Programs, With Analysis of Program Practices in Germany and Sweden," *Social Security Bulletin*, vol. 59, no. 3 (1999), pp. 41-50.

Youth Transition Demonstration

Purpose

The purpose of the Youth Transition Demonstration (YTD) is to determine if waiving SSI income and asset rules and providing coordinated employment support services to younger SSI and SSDI beneficiaries will ease the transition of these beneficiaries into adulthood and result in an increased likelihood that they will leave the benefit rolls because of work. The YTD is being conducted at seven sites in six states and will provide services to disability beneficiaries between the ages of 14 and 25.

The YTD builds upon an earlier SSI demonstration project, the Youth Continuing Disability Review Project, that focused on SSI beneficiaries aged 15 and 16 in Florida and Maryland.⁵³ The evaluation of this demonstration found that many of these teenage beneficiaries were not prepared to enter adulthood and independent living. Significant numbers of the beneficiaries tracked in this demonstration had contact with the criminal justice system including 16.5% of the beneficiaries studied that had at least one previous arrest. In addition, this demonstration found that often these SSI beneficiaries nearing transition-age were not able to get the coordinated educational, benefit counseling, and employment supports they needed. The results of this demonstration were consistent with other research findings that show children with disabilities have worse post-education outcomes than their non-disabled peers and that vocational education and transition services provided during high school are positively correlated with improved post-education outcomes for children with disabilities.

The YTD seeks to expand on earlier work by the SSA to determine the impact of providing coordinated benefits planning and transition services as well as SSI program waivers that allow beneficiaries to build savings on the post-education employment activities of transition-aged disability beneficiaries.

Research Design

Sample Selection

The YTD uses an experimental design to test the impact of a series of interventions on transition-age disability beneficiaries. The SSA selected six sites in five states to conduct the demonstration and at each site, a local or state agency or organization under contract with the SSA, will design and provide a package of coordinated benefit and employment supports.⁵⁴ The selected sites, and the contracting agencies and organizations are listed in **Table 5**.

⁵³ The Youth Continuing Disability Review Project and other relevant research are summarized in David Wittenburg and Pamela Loprest, *Policy Options for Assisting Child SSI Recipients in Transition*, available online at http://www.ssa.gov/work/panel/panel_documents/pdf_versions/SSI%20Kids-Final.pdf.

⁵⁴ An earlier process demonstration was conducted at seven sites in six states. The Colorado site and the two New York sites were the only Youth Transition Demonstration sites that were also included in the process demonstration.

The Colorado and two New York sites have completed providing services to project participants. The Florida, Maryland, and West Virginia sites are expected to complete providing services in 2012. Monitoring of participants in ongoing and final reports on each YTD project are expected in August 2014.⁵⁵

Table 5. Youth Transition Demonstration (YTD) Sites

State	Areas	Project Name	Status
Colorado	Boulder, El Paso, Larimer, and Pueblo Counties	Colorado WINS	Completed
Florida	Miami-Dade County	Broadened Horizons, Brighter Futures	Ongoing
Maryland	Montgomery County	Career Transition Program Youth Transition Demonstration Project	Ongoing
New York	Bronx County	Youth Transition Demonstration Project of the City University of New York	Completed
	Erie County	Transition Works	Completed
West Virginia	19 Counties	West Virginia Youth Works	Ongoing

Source: John Martinez, Michelle S. Manno, and Peter Baird, et al., *The Social Security Administration's Youth Transition Demonstration Projects: Profiles of the Random Assignment Projects*, Mathematica Policy Research, December 11, 2008, p. 12, http://mathematica-mpr.com/publications/PDFs/SSA_YTD.pdf.

Within each site, a sample of approximately 880 youth has been or will be selected to participate in the demonstration, with random assignment of 400 to control groups and 480 to treatment groups.

Interventions

Demonstration participants are randomly assigned to either a control group or a site-specific treatment group. Members of the control group will receive no interventions. All members of the site-specific treatment groups, will receive the following five SSI rule waivers:

- continued SSI benefits even if a continuing disability review finds the participant is no longer disabled;
- eligibility for the student earned income exclusion for all students regardless of their marital status or age;⁵⁶
- an earned income exclusion of the first \$65 in a month and 75% of any additional earnings;⁵⁷

⁵⁵ John Martinez, Michelle S. Manno, and Peter Baird, et al., *The Social Security Administration's Youth Transition Demonstration Projects: Profiles of the Random Assignment Projects*, Mathematica Policy Research, December 11, 2008, p. 82, http://mathematica-mpr.com/publications/PDFs/SSA_YTD.pdf.

⁵⁶ Under Section 1612(b)(1) of the Social Security Act [42 U.S.C. § 1382a(b)(1)] and 20 C.F.R. § 416.1866, the student earned income exclusion is not available to persons over the age of 21, persons who are married, or persons who serve as the head of a household.

⁵⁷ The SSI earned income exclusion, as specified in Section 1612(b)(4) of the Social Security Act [2 U.S.C. § 1382a(b)(4)] is the first \$65 in a month plus one half of any additional earnings.

- eligibility to place money in an Individual Development Account and have that money exempted from SSI resource rules; and
- liberalized Plan for Achieving Self-Sufficiency (PASS) account rules that allow for career exploration or post-secondary education to serve as employment goals.⁵⁸

These five SSI waivers are designed to allow transition-age beneficiaries to increase their earnings and savings in preparation for leaving school and entering adulthood and independence.

In addition to the SSI waivers, each of the sites has established a set of additional interventions for members of their treatment groups. These interventions seek to provide better coordinated employment, educational, and benefit planning supports to beneficiaries. Common features among the YTD interventions are benefits counseling and navigation services and employment services such as assistance with job searches.

⁵⁸ Section 1633(d) of the Social Security Act [U.S.C. § 1383b(d)] requires that an employment goal be part of a PASS account.