

# SSA Payments to State Vocational Rehabilitation Agencies (SVRAs) for Beneficiaries Who Work

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# Vocational Rehabilitation (VR) Services and SSA Disability Beneficiaries

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- **Relatively few Social Security disability beneficiaries leave the rolls because of work**
- **Beneficiaries who want to return to work often require support to do so**
- **Federal/state VR program is wide-reaching, offering employment supports to individuals who have significant disabilities**
  - **VR clients include, but are not limited to, SSDI and SSI beneficiaries**

# Payments from SSA to SVRAs

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- **VR agencies receive block grant funding via the Rehabilitation Services Administration (RSA)**
  - Approximately \$3 billion annually, across 80 agencies
- **SSA offers payment to SVRAs for serving beneficiary clients under two schemes**
  - “Traditional” cost reimbursement
  - As an Employment Network (EN) under Ticket to Work

# Research Questions

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- **What proportion of applicants to SVRAs generate a payment from SSA, and what is the average value of such payments?**
- **How does the dollar value of payments made by SSA compare with benefits forgone for work (BFW) by VR beneficiary clients?**
- **How do SSA payments and BFW vary by the agency providing services?**

# Data Sources

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- **SSA's 2012 Disability Analysis File (DAF)**
  - Monthly disability program participation status
  - Loss of cash benefits due to work, estimated dollar value of forgone benefits
  - VR payments from SSA to SVRAs
- **RSA Case Service Report (RSA-911)**
  - Beneficiary characteristics
  - Dates of VR service application and receipt
  - Agency providing services

# Sample Selection and Description

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- **Identified the first time a person sought VR between 2002 and 2007 and was a beneficiary (SSDI and SSI)**
  - 1.2 million beneficiary VR applicants across all six years
- **Presentation focuses on 266,000 who applied for VR in 2002**
  - Cohorts were remarkably similar on observables
  - Later cohorts' outcomes affected by recession and data lags

# Outcomes of Interest

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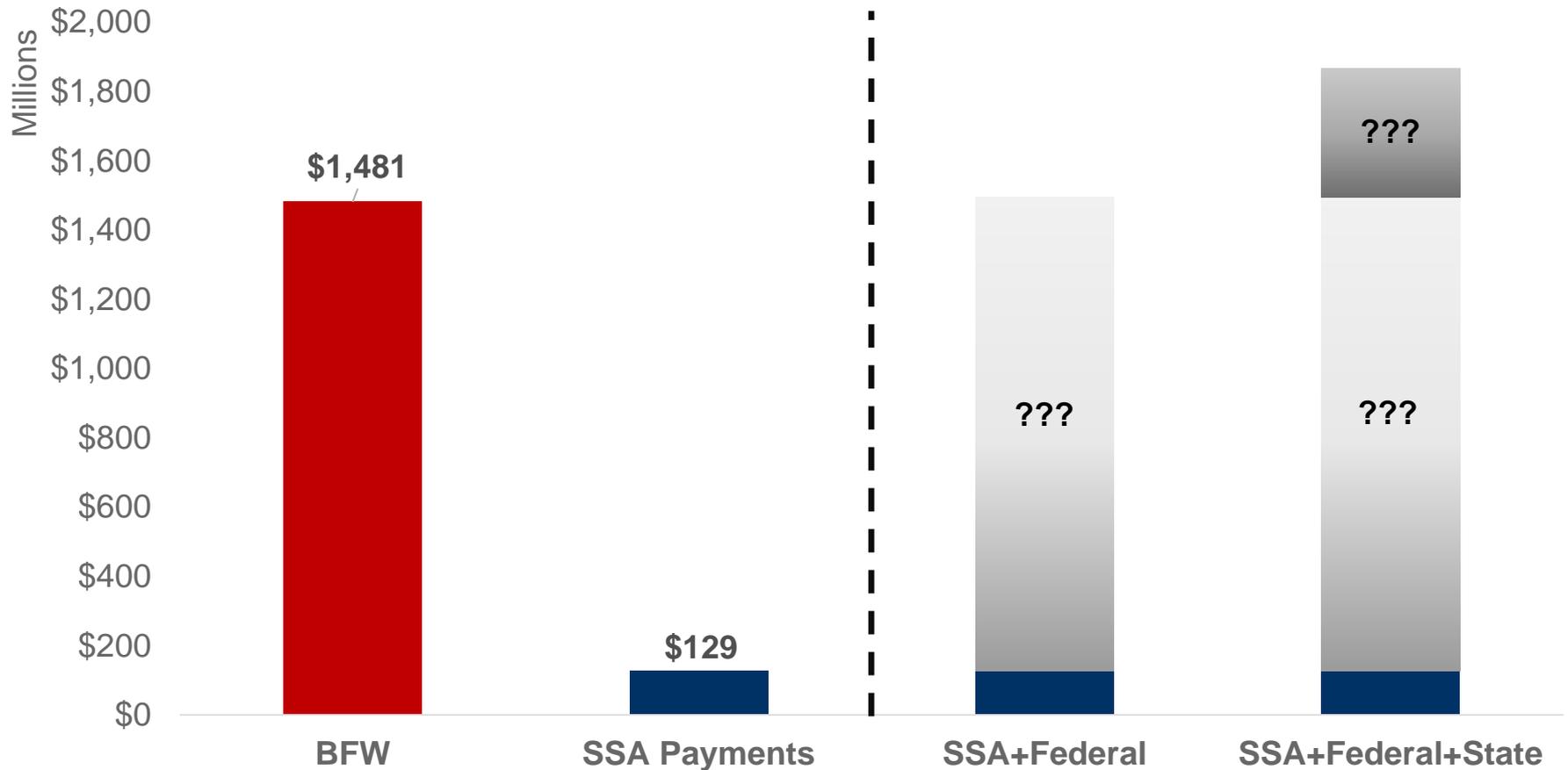
- **Payments from SSA to SVRAs**
  - Sum of traditional and TTW payments
  - Count all payments generated from application month through December 2012
- **Benefits forgone for work (BFW)**
  - Monthly measure constructed in DAF12
  - Dollar value of how much higher cash benefits would be if the beneficiary did not have earnings
  - Calculated separately for SSI and SSDI
  - Count all BFW from application month onward

# Payments Made from SSA to SVRAs

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- **Among 2002 applicants,**
  - **3.6% ever generated a cost reimbursement payment by December 2012**
  - **0.6% generated at least one TTW payment by December 2012**
- **Per-beneficiary payment values**
  - **Sum of traditional and TTW payments, from VR application through December 2012**
  - **Average: \$13,517**
  - **Median: \$8,968**

# How Do SSA Payments to SVRAs Compare to BFW for VR Beneficiary Applicants?



# **Caveats About Counting BFW From VR *Application* Month Onward**

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- **Not all beneficiaries who apply for VR receive services, yet we include their BFW**
  - 40% of 2002 cohort did not receive an individualized plan for employment (IPE) after that application, but accrued 28% of BFW and 10% of payments (as a result of a subsequent spell)
- **As time progresses, the likelihood that BFW can be attributed to the receipt of VR services becomes potentially less plausible**
  - One version of our analysis truncates to a shorter period after the VR spell, reducing counted BFW

# SVRAs Vary in Beneficiary BFW and Receipt of Payments from SSA

	California (Combined)	New York (General)
2002 beneficiary VR applicants	20,039	19,646
BFW	\$75,187,212	66,342,966
Share of applicants with an SSA payment	4.4%	1.8%
SSA payments	\$14,409,587	\$4,262,472
Average payment value	\$16,468	\$12,144

# Thoughts for Consideration

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- **Even under conservative assumptions, BFW exceeds payments made by SSA on behalf of beneficiary VR applicants**
  - SSA payments are small relative to total SVRA outlays for services provided to SSA beneficiaries
- **We cannot attribute BFW to the receipt of VR services**
  - Many who seek VR generate BFW without receiving services; some generate a payment
- **SVRAs vary in the extent to which beneficiary clients generate payments from SSA**

# SSA Has Recently Implemented Changes to the Payment Process

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- **In 2013, SSA began notifying SVRAs when beneficiaries they served earned above SGA**
  - Number of traditional VR payment claims rose by 80% between FY12 and FY13
  - Dollar value of total claims paid by SSA increased by 75% during the same period
- **Helped SVRAs identify opportunities to file claims with SSA**
- **Did BFW change during the same period?**

# Acknowledgments

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