

Experiences of State Vocational Rehabilitation Agencies with the Ticket to Work program

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Abstract. This article describes the experience of State Vocational Rehabilitation Agencies (SVRAs) with the Ticket to Work (TTW) program. We examined administrative data from the Social Security Administration and the Rehabilitation Services Administration and conducted site visits and telephone interviews with SVRA officials in 25 states as part of a five-year evaluation of the TTW program.

The recession of 2001–2002, along with recent financial constraints due to increased service demand and shrinking state budgets, has negatively affected TTW implementation. SVRAs have spent significant time and energy implementing TTW, particularly assigning Tickets with little apparent benefit to its clients, according to SVRA officials. They also expressed concerns about conflicts between the necessity to obtain Ticket assignments from new and existing clients to receive SSA payments under the traditional cost reimbursement system and the requirements to provide maximum consumer choice under the Rehabilitation Act. New draft regulations rescind this requirement and it remains to be seen what the future role of SVRAs in the Ticket program will be.

Keywords: Disability, employment, Ticket to Work, State Vocational Rehabilitation Agency

1. Introduction

One purpose of the Ticket to Work (TTW) program was to increase the number of agencies that provide rehabilitation and employment services to people with disabilities, thereby expanding consumer choice. Because State Vocational Rehabilitation Agencies (SVRAs) must participate in TTW if they wish to receive payments from SSA and because they played a dominant role in providing employment services, an important component of the five-year TTW evaluation was to assess the effect of the SVRAs on TTW and the effect of TTW on the SVRAs.

The purpose of this paper is to explore the effect of the TTW program on several aspects of SVRA operations. We explore the number of Tickets assigned to SVRAs, services received by SVRA clients, and payments SVRAs received under the new Ticket payment options, including the effect of TTW on traditional cost-reimbursement payments.

Our findings are based on telephone interviews and site visits with representatives of 25 SVRAs as well as staff at the Council of State Administrators for Vocational Rehabilitation (CSAVR), the Rehabilitation Services Administration (RSA) and SSA [3–5]. Interviews have taken place over the past four years and included SVRAs in all three phases of Ticket rollout. We interviewed SVRA officials in all 13 Phase 1 states and randomly selected SVRAs in 8 Phase 2 and 4 Phase 3 rollout states. In states with a separate VR agency for the blind, both the general and blind agencies

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participated in the interviews. Our interviews with the SVRAs generally included the person designated as the Ticket coordinator and the person responsible for processing payment claims to SSA. Interviews lasted between one and one-half and two hours and covered the following topics; (1) preparation for TTW, (2) payment selection, (3) marketing, outreach, and Ticket assignment, (4) service delivery and staffing, (5) Ticket program payments and costs, (6) impact of TTW on the SVRA, and (7) Suggestions for TTW improvements. Additionally, we analyzed SSA Vocational Rehabilitation Reimbursement Management System and other SSA and RSA administrative data.

After a brief background on SVRA services and funding, we discuss the Ticket assignment process and the number of Tickets assigned to SVRAs, how SVRA counselors assure that beneficiaries have a choice in rehabilitation providers, and the services Ticket holders receive. We then discuss how SVRAs administer the Ticket program and the payments they have received under the traditional cost-reimbursement system and new payment options. We close by discussing SSA's proposed TTW regulations.

2. Background

SVRAs operate with funding from the US Department of Education Rehabilitation Services Administration (RSA). The Rehabilitation Act provides funding according to a 79/21 percent matching funding formula that adjusts for population and per capita income. Federal funding for Title 1 of the Rehabilitation Act, along with state match and other appropriations, is used to provide and purchase rehabilitation services that help clients identify and reach their vocational goals as outlined in an Individualized Plan for Employment (IPE); the services include, but are not limited to, assessment and evaluation, educational and medical services, job placement, and assistive technology. In many cases, the SVRA counselors purchase services for their clients through a network of community rehabilitation providers (CRPs), many of which participate in TTW as Employment Networks (ENs). Although federal funds have remained relatively constant throughout the last few years, in 2004–2005, state funding for SVRAs began to decrease as a result of rising Medicaid expenditures, lower state tax revenues, and higher unemployment.

The Social Security Administration (SSA) provides another important source of funds to the SVRAs, which

supplement the federal and state SVRA funds to purchase services for SSA beneficiaries. Since 1981, SSA has reimbursed SVRAs for their costs (up to a limit) to serve an SSA beneficiary after he or she completes nine months of work in a 12 month period at the Substantial Gainful Activity (SGA) level; \$1,500 for people who are blind and \$900 for people with other disabilities in 2007. We refer to these payments as “traditional cost reimbursement payments.”

Figure 1 shows the number of reimbursement claims paid for SSA beneficiaries and the total dollar amount of payments under the traditional cost reimbursement system since 1981. The number of claims allowed grew substantially and more or less steadily from about 2,200 in FY 1984 to between 6,000 and 7,000 per year in the mid-1990s, to almost 12,000 in 2002. As the number of approved claims rose, so did SSA's payments, from just over \$4 million in 1984 to about \$131 million by 2002. In 2001, the average cost per claim allowed was \$12,668. The number of beneficiaries for whom SSA made a payment under the traditional cost reimbursement payment system dropped significantly after 2002 to about 9,000 and the value of payments also dropped substantially from \$131 million in 2002 to about \$76 million in 2005 [3,4]. While this drop coincided with the rollout of the Ticket in Phase 1 states, SVRA enrollment also dropped in Phases 2 and 3 states where the Ticket had not been implemented.

While SSA beneficiaries account for 25 to 30 percent of SVRA clients, funds from SSA account for less than 10 percent of case-service dollars [4]. The primary reason for this difference is that many SSA beneficiaries do not reach the SGA earnings level. Therefore, services provided to them cannot be reimbursed by SSA. Thus, SVRAs have paid for services for these SSA beneficiaries through their general funds.

Falling levels of SSA traditional cost-reimbursement payments combined with reduced state funding have restricted case service dollars available to purchase services for clients. SVRA representatives we interviewed report that higher unemployment has created more applicants for SVRA services, placing an additional squeeze on scarce resources. To stretch limited funds, SVRAs have targeted their services to clients with the most severe disabilities by adopting an order of selection; in 2005, 43 SVRAs had adopted this system [3]. SVRAs initiate an order of selection when they do not have enough resources to meet the demand for services. Under such a policy, SVRAs enroll only those applicants in the highest priority category. The specific categories and who fits into each varies by

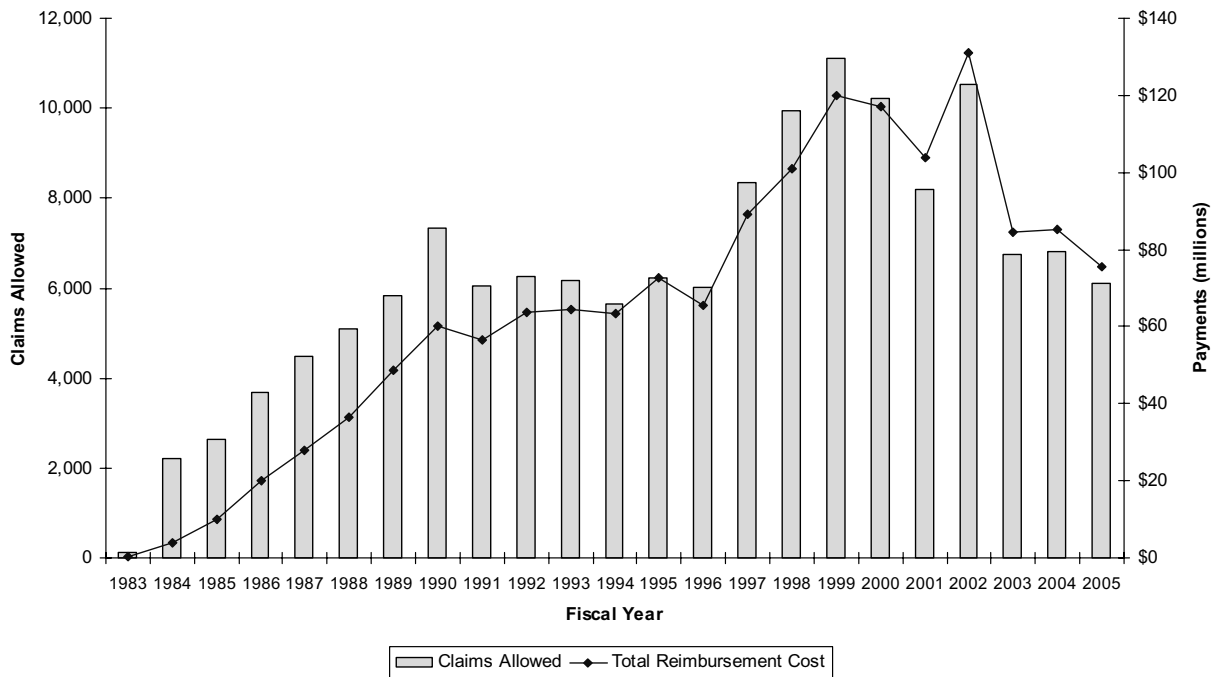


Fig. 1. Traditional Cost Reimbursement Claims and Payment Amounts, Fiscal Years 1983–2005.

state, but generally, individuals are classified into three categories; those with the most severe disabilities are placed in Category One and those with less severe disabilities are placed in Categories Two and Three. Priority Two and Three applicants are served only when there are sufficient funds to serve all of Category One beneficiaries. According to SVRA officials we interviewed, SSI and SSDI beneficiaries would typically fall into Category One, but even that status does not guarantee that services will be provided. Some SVRAs have had to establish waiting lists even for individuals in Category One. One SVRA official in a Phase 3 rollout state reported that, although the agency has been operating in an order of selection since 2001, it had an 11-month waiting list for Category One clients; another Phase 3 SVRA official reported a waiting list of almost 500 Category One clients and a total waiting list of over 13,000 across all three categories.

3. Ticket assignments

The TTW program made dramatic changes to the context in which the SVRAs operate. Since TTW has rolled out, SSA ceases to refer beneficiaries to their SVRA. Beneficiaries have a choice in what to do with their Ticket; they can assign it to an SVRA, assign it to

an EN, or they can leave it unassigned. SVRAs have accepted 92 percent of Ticket assignments since TTW rolled out [3]. If a beneficiary assigns the Ticket to an SVRA, the agency can decide whether to use either the traditional cost-reimbursement system described above or one of the two new payment systems, described below.

SVRAs must select one of the two new payment systems under the TTW program, either the milestone-outcome or the outcome only payment system. Once the SVRA makes this selection, the agency may decide on a case by case basis whether to use the system they selected or the traditional cost reimbursement system for each beneficiary who assigns a Ticket. SVRAs can receive payments under the traditional cost reimbursement system only if the beneficiary assigns his or her Ticket to the SVRA. Although SVRAs may serve individuals who have not assigned their Tickets to the SVRA, the agency will not be eligible for payments from SSA, even under the traditional cost reimbursement system. This poses two challenges for SVRAs; first, agency staff must obtain Tickets from new applicants, and second, agency staff must obtain Tickets from clients who become eligible for a Ticket after developing and signing an IPE with the SVRA, called “pipeline cases”.

New Applicants: SVRAs in Phases 2 and 3 appear to be approaching Ticket assignment in a way that dif-

fers from the approach SVRAs in Phase 1 took, when TTW was first rolled out in February 2002. Phase 1 SVRA officials we interviewed expressed two concerns; first, they thought they would need to identify staff to deal with an onslaught of informational calls and new applicants for VR services as a result of the introductory Ticket mailing. They were not sure how many applicants would eventually reach earnings above SGA and thus be eligible for either traditional cost-reimbursement or Ticket payments from SSA. They also felt they had to respond aggressively to TTW to safeguard their SSA funding stream, which had become increasingly important over the previous few years. SVRA officials from Phase 1 states we interviewed were quite concerned that clients would refuse to assign their Tickets to the SVRA, receive services under Title 1, and then assign their Ticket to an EN, making the SVRA ineligible for the traditional cost reimbursement payment. At that time, Phase 1 SVRAs prepared for what they expected to be an onslaught of new applicants by developing call centers and assigning new staff to handle such cases, even though they did not have designated funds for this purpose.

But the demand for services from Ticket callers was weaker than anticipated. Representatives from all phases of TTW rollout reported that, after a high volume of calls from potential clients soon after SSA mailed the initial information on the Ticket program, calls diminished considerably a few months after rollout was completed. Generally, SVRAs designated one staff person to field these calls and, once the volume of calls diminished, that staff member was able to assume additional responsibilities associated with administration of assigned Tickets. Officials reported that, when the TTW goal of moving beneficiaries off of the SSI or SSDI rolls is explained to them, most lose interest in TTW. SVRA staff use this opportunity to describe the services they provide through other funding mechanisms, such as Title I of the Rehabilitation Act, which does not require that the client leave the Social Security disability program rolls – only that the client establish a vocational goal. If it appears that the beneficiary wishes to work but does not want to lose SSI or SSDI benefits, the SVRA will serve the beneficiary using Title 1 or other funds, without accepting the Ticket. This is generally consistent with findings of a telephone survey of SSA beneficiaries [1] that many beneficiaries express an initial interest in working, but may limit their vocational choices and restrict their work hours due to fear of losing benefits.

Pipeline Cases: SVRAs also paid attention to obtaining Ticket assignments from beneficiaries already

on their caseloads, in large part to prevent them from assigning their Tickets to ENs. However, early experience with TTW suggested little risk that SVRA pipeline cases would assign their Tickets to ENs, making the SVRA ineligible for a traditional cost reimbursement payment. SVRAs reported that they did not lose many pipeline cases to ENs, and ENs we have interviewed tended to refer cases to the SVRAs instead of taking them. SSA/RSA matched data reveals that phase 1 and phase 2 SVRAs have obtained Ticket assignments for only about 30 to 40 percent of the new SSA beneficiary clients they have served since TTW started and the percentage of pipeline cases is even lower [3].

Interviews of SVRA officials in Phases 2 and 3 states indicate that they had much less incentive to obtain assignments during their own rollout period and have relaxed their efforts to obtain Tickets from pipeline cases. They appear to have learned from the experiences of SVRAs in Phase 1 states and dedicated fewer resources to obtaining Ticket assignments from pipeline cases. According to SVRA officials, they have come to see Ticket assignment merely as an administrative step that would have a minimal effect on the services delivered to pipeline clients. Because SVRA pipeline cases tend not to assign their Ticket to another EN, SVRAs can wait to obtain their Tickets until they know whether the client will be eligible for traditional cost reimbursement or payment under one of the new TTW payment systems.

Even though Phases 2 and 3 SVRAs appear to have relaxed their approach to obtaining Ticket assignments, they do devote some resources to contacting Ticket holders in their existing caseloads, explaining the program to these individuals and encouraging them to assign their Tickets to the SVRA. Some SVRAs, particularly some of the smaller ones, had their central office canvass their existing caseloads to identify beneficiaries, sending the names of these individuals to counselors to discuss Ticket assignment. Some of the larger SVRAs asked their counselors to identify and educate beneficiaries themselves. For example, one large SVRA sent a letter to all of its clients asking them to contact their counselor and discuss Ticket assignment, but the results were disappointing – less than 30 percent of beneficiaries responded to this request.

4. Choice of service providers

The Rehabilitation Act requires that clients of SVRAs be provided, “informed choice in selecting an

employment outcome, the specific vocational rehabilitation services to be provided . . . the entity that will provide the vocational rehabilitation services, and the methods used to procure the services . . .” (Workforce Investment Act of 1998, Sec. 102 (b)(2)(B). In fact, “informed choice” language is found throughout the Act and it has caused considerable controversy in implementing TTW. This requirement has been interpreted by SVRAs to mean that counselors must explain the Ticket program, provide clients with lists of ENs (when they are available), and sometimes refer beneficiaries to Work Incentives Planning and Assistance (WIPA) organizations created by the TTW legislation, or other benefits planners that inform Social Security beneficiaries about available work incentives. Counselors must explain the various Ticket assignment options to new applicants and pipeline cases; that beneficiaries can assign the Ticket to the SVRA, assign it to another provider, or leave the Ticket unassigned.

If a beneficiary leaves the Ticket unassigned, an SVRA can continue to serve the individual under the traditional payment system, so long as the SVRA submits to the Program Manager an unsigned Ticket Assignment Form (Form 1365) and a signed Individual Plan for Employment (IPE). The IPE is an official document that outlines the services the SVRA will provide and the client’s responsibilities, and it is signed by both counselor and client. Transmittal 17 of the Social Security Provider’s Handbook allows SVRAs to submit a Ticket Assignment Form without a beneficiary signature for new clients if the form is accompanied by the signed IPE; several SVRAs in Phases 1 and 2 reported that as many as 10 percent of all assignments fall into this category [4].

SVRA officials we interviewed expressed serious concern about this practice because it appears to contradict the consumer choice in services concepts emphasized in the Rehabilitation Act. Most officials we interviewed said that allowing counselors to submit a Ticket Assignment Form without a beneficiary signature has created conflicts within the agency; agency administrators tell counselors it is particularly important to obtain Ticket assignments so the SVRA can be reimbursed but then stress the importance of informed choice for clients, enabling clients to play an active role in choosing where they will go for services. Some SVRAs have established a policy under which the agency does not attempt to obtain a client’s Ticket unless the Ticket Assignment Form has been signed. These administrators told us that the risk that a beneficiary will learn that the Ticket has been assigned without formal consent and

subsequently believe that the agency is usurping the right to informed choice in Ticket assignment is simply too great. These SVRA officials stated that the trusting relationship between the client and the rehabilitation counselor must be preserved, even at the expense of losing payments under the traditional system.

Other SVRA officials we interviewed indicated that they sometimes file Ticket assignment requests for new cases that have not signed Form 1365. They believe that consumer choice is important and they are doing their best to provide new and pipeline clients with enough information on their rights and choices under the TTW and VR programs. They also feel the pressure to obtain signed Tickets to enable their agency to obtain traditional cost-reimbursement payments from SSA. If counselors had taken clear steps to inform beneficiaries about their rights to assign their Tickets elsewhere or not to assign their Tickets, they submitted the unsigned form.

SVRAs identified several practices designed to ensure choice in the context of current SSA procedures and regulations. Some SVRAs said they have trained their rehabilitation counselors to give clients information on both the consequences of signing an IPE and their rights and protections under TTW. They tie discussions of Ticket assignment to the development, review, or revisions of the client’s IPE. Additionally, some SVRAs are amending IPEs to include language that specifies what signing the IPE implies for Ticket assignment. For example, one SVRA has revised its IPE form to include the following language:

- I agree and understand that by signing this IPE, my Ticket will be assigned to [agency name] if I am eligible to participate in the Social Security Administration’s Ticket to Work Program. In order for [agency name] to get paid by SSA for services provided to me, [agency name] will track my SSI/SSDI benefits and earnings and exchange information related to my work and vocational plan with SSA and Maximus, SSA’s Program Manager.
- I also understand that I can inactivate my Ticket or assign it to a different Employment Network by contacting Maximus, toll-free at 1-866-XXX-XXXX. While my Ticket is in use and I am making progress on my IPE, I also understand that SSA will not do any Continuing Disability Reviews on my case [3].

Other SVRAs encourage beneficiaries to meet with the local WIPA or other benefits planner so that they would fully understand the effects of TTW participa-

tion and employment on their disability and health care benefits. One SVRA has worked with the Protection and Advocacy (P&A) program in its state to develop a consumer-oriented fact sheet on TTW that is used as an information guide for beneficiaries during their discussions with rehabilitation counselors about Ticket assignment. In these ways, SVRAs can incorporate the informed choice discussion about Ticket assignment into the IPE process.

5. Effect on service provision

In general, SVRA officials stated that the TTW program has had two important effects on service delivery, one positive and one negative. The only potential benefit that TTW may bring to service delivery, according to SVRAs, is the increased emphasis on work incentives planning. SVRA officials explained that TTW has raised an agency-wide awareness of the importance of providing work incentives planning early in the employment process. SVRA counselors now frequently refer clients to the WIPA or have work incentives planning discussions with their clients. Counselors have a deeper understanding of the fact that, for beneficiaries, the possibility of losing benefits, particularly health care benefits, has the potential to derail employment goals; early referral to a WIPA program could position the beneficiary to make more informed choices about employment and earnings goals. One SVRA finds these services so valuable that it is funding 10 work incentives planning positions from its own funds; several other SVRAs are also funding work incentives specialists.

On the negative side, SVRAs said that the increase in administrative requirements, particularly the process of obtaining Ticket assignments, had adversely affected service delivery. They indicated that the Ticket assignment process is particularly burdensome. Central office staff and local rehabilitation counselors reportedly spend a substantial amount of time explaining the program to beneficiaries, encouraging them to assign their Ticket to the SVRA, and trying to ensure that beneficiaries exercise informed choice in assigning their Ticket. They feel that the requirement to discuss complex program concepts at the initiation of services often confuses clients and delays more important service-related discussions. This is particularly true in cases where the client actually has little or no choice in service providers because there are few ENs available in the client's geographic area and often no ENs that

will work with someone with the client's disability or that can pay for the client's rehabilitation costs. From a counselor's perspective, the process has little or no added value, especially relative to the burden it imposes. Counselors must also spend time tracking down existing clients to obtain Ticket assignments from them. Although these clients may be receiving services from the SVRA, the counselors may actually have little direct in-person contact with them because, for example, the SVRA is purchasing services through another agency or paying for college, in which case counselors may only check in with the client quarterly by telephone. So the process of tracking down pipeline cases adds another layer to the counselors' already heavy administrative burden with little value added, particularly for counselors with typical caseloads of 150 or more. This change in the SVRAs' approach to their clients is significant because any increase in SVRA administrative costs will reduce the funds and time available to serve other clients on the waiting list for services, perhaps including SSA beneficiaries.

6. Administrative concerns

Throughout our three rounds of interviews, SVRA officials reported that TTW has increased their administrative burden and therefore their administrative costs. Officials raised the most concern about the need to obtain Ticket assignments, but they raised other concerns as well.

From the SVRA perspective, the need to explain basic aspects of TTW to new callers adds another administrative function and increases the costs of participating in the program. Although SVRA staff use this opportunity to explain services that can be provided under other funding sources, they report receiving few applicants they would not have otherwise received. SVRA officials also said that obtaining current, accurate information on TTW eligibility and assignment status from SSA's TTW Program Manager for Operations Support (PMOS) is problematic. The process of matching SVRA clients to Ticket eligible beneficiaries is particularly troublesome, because the PMOS is prohibited from disclosing beneficiary Social Security numbers to the SVRA. SVRA officials noted several instances of conflicting and inaccurate information on beneficiaries' cash benefit and Ticket assignment status, requiring multiple phone calls and faxes between the SVRA and the PMOS. SVRAs have had to move staff from other duties to build new data management

systems to track Ticket assignments and requests for payment. SVRAs we interviewed typically designate one to two individuals for Ticket-related activities – not an insignificant change given periods of resource shortages, staff layoffs, and waiting lists for services.

7. Payments for Ticket beneficiaries

When SVRAs accept a Ticket, they must designate one of the new Ticket payment options – either Milestone-Outcome or Outcome-Only. SVRAs may then accept the Ticket under the traditional cost reimbursement payment system, or under the new Ticket payment option they have designated. Most SVRAs (77%) have selected the Milestone-Outcome Ticket option. But as a whole, SVRAs still accept about 93% of Ticket assignments under the traditional cost reimbursement system. As of December 2003 (which precedes the Phase 3 rollout) SVRAs had accepted only 2,705 (about 7%) of Tickets under one of the two new payment options.

We examined payments made on all Tickets assigned by December 2003 to SVRAs under one of the new TTW payment systems. (We excluded more recent assignments because of the long period that can elapse before any payment is made.) Of these 2,705 assignments, only 6.4 percent had generated at least one payment by July 2005. Payments were highly concentrated in a few SVRAs – only 10 of them had received any payments under the new systems. The total amount paid was only \$373,000, and one SVRA received 56 percent of that amount.

The number of claims paid under the traditional cost reimbursement system in each phase of the Ticket rollout is shown in Fig. 2. It is problematic to compare these paid claims to claims under the new payment systems because of substantial differences between the new and the old payment and reporting systems. The delay from Ticket assignment to payment under the traditional cost reimbursement system can be even longer than under the new systems, but full payment is typically made in one transaction, not stretched out over many months. Nonetheless, these statistics provide useful information on SSA payments to SVRAs under the traditional cost reimbursement system.

The number of beneficiaries for whom SSA made a payment under the traditional cost reimbursement system dropped significantly in all phases after fiscal year (FY) 2002. The vertical scale for Fig. 2 is in logarithms (i.e., it is a “ratio” scale), so the vertical

distance from one year to the next represents the percent change in claims paid. The large decline from FY2002 to FY2003 is approximately the same for all phases. Changes after FY2003 vary across the phases, but not in a manner that would suggest that TTW played a role in the changes. In FY2005, claims paid in all three phases remained well below the FY2002 peak.

The number of claims has increased somewhat in the past two years, though not to the pre-2002 level. This might well be because employment grew very slowly during the early years of the recovery and never reached its 2000 peak. Slow economic growth was particularly true for the lower end of the wage distribution where many beneficiaries are likely to be looking for employment [2].

8. Proposed Ticket regulations

On September 27, 2005, SSA issued draft regulations, in part responding to SVRA concerns about the Ticket assignment process. SSA expects the regulations to be finalized during the first quarter of 2008 and the changes described below will be implemented after that time. The proposed regulations would eliminate the requirement that SVRAs must obtain Ticket assignments for beneficiaries they intend to serve under the traditional payment system. According to the draft regulations, the SVRA would need to accept a Ticket only if the agency wishes to be paid under one of the two new Ticket payment systems described earlier in this paper (milestone-outcome or the outcome-only payment systems). Under the proposed regulations, if the SVRA wishes to be paid under the traditional cost reimbursement system, the beneficiary would not need to assign their Ticket to the SVRA. Although the Ticket would not be assigned, the Ticket would be considered “in use” and the beneficiary would be afforded protection from a continuing disability review (CDR) while receiving services from the SVRA, if the SVRA submits a copy of the signed IPE to the Program Manager. Under the proposed regulations, a beneficiary would be able to assign a Ticket to an EN after he or she has received services from the SVRA. Under the proposed regulations, the SVRA could receive traditional reimbursement payments and the EN could receive Ticket payments. The SVRA would not be able to collect payments under the new Ticket payment systems if the agency has collected payments under the cost-reimbursement system. A beneficiary would not be able to assign a Ticket to an EN while an SVRA is continuing to provide services.

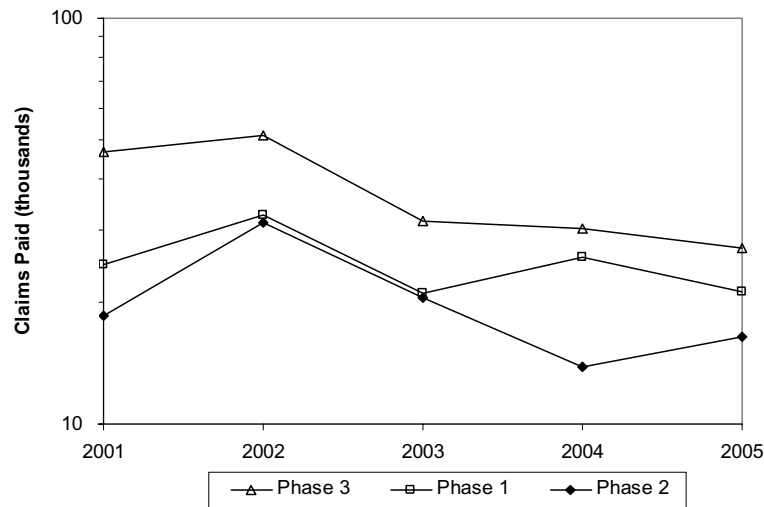


Fig. 2. Reimbursement Claims Paid for SSA Beneficiaries Under the Traditional System by Phase, Fiscal Years 2001–2005.

9. Discussion

A goal of the Ticket program is to increase the supply of providers of rehabilitation and employment services to beneficiaries and offer beneficiaries more choice in where to receive these services. It appears that this goal largely has not been realized, partly because of the relatively low EN participation in TTW and partly because of SVRA dominance in TTW. The overwhelming number of Ticket assignments to SVRAs suggests that the program has prompted little change in the delivery of services to beneficiaries. SVRAs were virtually the only providers receiving SSA funding for employment support services before TTW, and SVRAs remain the dominant providers. In fact, SVRAs have accepted about 92 percent of Ticket assignments since TTW rolled out. Although they can opt to accept Tickets under one of the new Ticket payment systems, they have accepted about 93 percent of their Tickets under the traditional cost reimbursement payment system. Thus, the overwhelming majority of beneficiaries who assign Tickets are receiving services from SVRAs under the traditional cost reimbursement system, just as they could have done had TTW never been implemented.

Most beneficiaries participating in TTW are doing so under essentially the same conditions as before program rollout. In addition, most SVRAs we interviewed report that they are now serving beneficiaries with similar characteristics and backgrounds to beneficiaries served in the past. SVRAs generally have not changed the mix or intensity of services provided to beneficiaries; SVRA officials tend to view TTW as a program

that imposes some additional administrative requirements on the cost-reimbursement payment system but has little effect on current service delivery efforts.

A couple of exceptions are noteworthy. In addition to the increased paperwork required to obtain Ticket assignments, SVRA officials cited counselor concerns about the complex discussion they must have with new clients before the rehabilitation process begins. These clients may have recently completed the arduous SSA benefit application process and are taking the first initial steps toward employment. Understandably, they may be nervous about losing their cash and medical benefits. A discussion about the TTW requirement that Ticket holders leave the benefit rolls may be counterproductive. These findings provide important context for the estimated impacts of the Ticket on service enrollment that appear in Wittenburg et al. [6]. Conversely, the new emphasis on work incentives planning through the WIPAs and additional benefits planners hired by some SVRAs is an extremely positive development. SVRA counselors need to understand the effect of benefit loss on reaching employment goals so they can assist their clients in addressing these issues.

Why has the effect upon service delivery been so minimal? First, TTW regulations allowed the SVRAs to continue to receive payments for SSA beneficiaries under the traditional cost reimbursement system, so the fact that they have continued to do so should not be surprising. There appears to be little reason for SVRAs to accept payments under the new options. Beneficiaries need only work 9 consecutive months at the SGA level for the SVRA to qualify for payment under the traditional cost reimbursement system. To obtain

the full payment amount under the new TTW payment options, the beneficiary must remain off cash benefits for 60 months. The maximum possible payment is greater, but so is the risk that beneficiaries may stop working before the SVRA receives the full payment. Further, the payment process under the traditional cost reimbursement system is substantially simpler than the process under either of the two new payment options. SVRAs submit only one request in the traditional cost reimbursement system and receive one lump-sum payment; under the new TTW payment options, SVRAs must track the beneficiary for 60 or more months and submit up to 64 requests for payment.

SVRA officials in early Ticket rollout states were extremely concerned that TTW would have a negative effect upon the number and amount of traditional cost reimbursement payments, but it appears that their fears never materialized. First, ENs have received only about \$4 million in payments through 2005, so SVRAs did not lose substantial payments to ENs as they had initially feared. Although traditional cost reimbursement payment amounts dropped substantially, from about \$131 million in 2002 to about \$76 million in FY 2005, the drop in payment amounts does not appear to be related to TTW. The reasons are not entirely clear. The difference in payment schedules between the traditional cost reimbursement system and the new payment options would cause payments to fall in the short-term and rise in the long-term. But payments to SVRAs under the new payment systems – under \$1 million through 2005 – make up only a tiny fraction of the \$55 million decline, so this is not a big factor. Further, if the introduction of TTW caused the \$55 million drop, the drop should have occurred later in Phase 1 states, and later in Phase 2 than in Phase 1 states, and still later in Phase 3 states.

Instead, the most likely explanation for the drop may be the 2001 recession and concomitant difficulty in placing clients, state revenue constraints, and increased service demand. Because SVRAs submit cost-reimbursement payment claims to SSA only after an individual has worked at the SGA level for nine consecutive months, payments in any given year largely reflect beneficiaries enrolled and served in previous years. This long delay from placement to case closure along with administrative delays from closure to payment mean that many payment claims processed in FY 2003 and later were for cases closed during the 2001–2002 recession. The recession put a heavy strain on state budgets, causing many states to reduce their funding for SVRAs. Faced with fewer resources, the

SVRAs had to restrict services by adopting an order of selection process. Although this process targeted services to clients with the most severe disabilities, including SSI and SSDI beneficiaries, the tighter job market probably made it more difficult for SSA beneficiaries to find jobs, reducing SSA payments to SVRAs.

One other change that might have reduced the number of claims paid under the traditional payment system is worth noting. In 1999, SSA raised the SGA limit from \$500 to \$700 per month and added an automatic annual increase based on the cost of living. The 2007 SGA level is \$900 for beneficiaries with disabilities other than blindness. Fewer SVRA clients who are SSA beneficiaries may achieve earnings above this new SGA level, and as a result, the SVRA may qualify for traditional cost reimbursement payments in fewer cases. This policy change, along with an increased emphasis on work incentives planning, may have the unintended consequence of reducing Ticket payments because fewer beneficiaries are leaving the benefit rolls even though they may be working and perhaps earning more.

The proposed regulations appear to have addressed many of the issues raised in this article. In fact, SVRAs would be allowed to use the traditional cost reimbursement payment system without accepting Ticket assignments. Because they accept about 90 percent of Tickets under this system, their participation in TTW would be dramatically minimized.

Under the proposed regulations, SVRAs would accept Tickets only for those few clients for whom they wish to submit payments under the new Ticket payment options. Once the beneficiary receives job training, education, or adaptive equipment they need to prepare for employment from the SVRA, they could assign their Ticket to an EN, who could provide job placement and follow up services to help them find and keep work. SVRAs and ENs could establish innovative partnerships that capitalize on their strengths. The proposed regulations, if adopted, would facilitate these creative partnerships and address core problems in the TTW program.

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