

# **Provider Incentives and Return to Work: Strategies For Maximizing Success**

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## **Abstract**

The number of individuals receiving benefits through Social Security disability programs (SSI and SSDI) has grown over the past decade. Unfortunately, once individuals become eligible for disability benefits, very few ever terminate Social Security participation by returning to work. To address this problem, the Social Security Administration has developed several return to work initiatives, including an alternate provider program and a "return to work ticket proposal. The present manuscript addresses the important role local provider agencies will play in these return to work initiatives and to recommend specific incentives that will enable local provider agencies to assist SSI/SSDI recipients to obtain employment and exit the disability rolls.

Over the last decade, the number of individuals entering the SSA beneficiary rolls has grown at an alarming rate (National Academy of Social Insurance, 1996b). Even more disconcerting is the fact that during the same period, the number of persons leaving the disability benefit rolls through return to work declined. To put the problem in perspective, a recent analysis by the Office of the Actuary of the Social Security Administration (SSA) indicates that approximately 7,000 Social Security Disability Insurance (SSDI) recipients each year terminate Social Security Trust Fund participation by returning to work. The individuals returning to work constitute only 0.18 percent of the total number of SSDI recipients (SSA, 1995). These statistics point to the clear lack of employment incentives in current disability benefit policy and programs, as well as the challenges faced by rehabilitation and other employment programs to meet the needs of these individuals.

Continued dependence on disability benefits denies persons with disabilities the opportunity to exercise their rights to live and work in the community as called for by the 1992 Americans with Disabilities Act (P.L. 101-336) and places tremendous financial pressure on the Social Security Trust Fund. These concerns have generated a comprehensive public and private sector review of Social Security disability benefit programs. The priority for this review is to create or strengthen incentives that will assist a greater number benefit recipients achieve stable employment, reduce or eliminate their need for disability benefits, and thereby generate a savings in payments through the Social Security Trust Fund. Included in this broad based review is a focus on (a) whether rehabilitation and work can be emphasized without greatly expanding costs to the Trust Fund or weakening the rights of persons with a disability who cannot work and (b) changes that would encourage beneficiaries to use their abilities in employment (NASI, 1996a).

## **Range and Content of Current Return to Work Proposals**

**A wide array of strategies are being proposed to encourage and support disability beneficiaries and recipients as they attempt to return to work. These proposals address key areas such as modifications to the tax code, changes in current work incentive programs, health care considerations of persons with disabilities, and compensation for costs involved in acquiring the personal assistance necessary for some individuals with a disabilities to return to work. In addition, a number of proposals payment strategies to provide return to work services and supports through employment service provider agencies.**

**The National Academy of Social Insurance (NASI, 1996a), through its Disability Policy Panel, has proposed the concept of a Return to Work Ticket. Under this proposal, Social Security Trust Fund monies would be used to pay providers of employment services. The benefit recipient would receive a return to work ticket that would commit the SSA to making payments to the agency providing the services that result in employment. SSA would make payments after the recipient successfully maintains employment and terminates from the disability benefit rolls. The annual payments to the employment service agencies would be a percentage of the savings to the Trust Fund over a specified number of years.**

**In addition to the NASI Return to Work Ticket proposal, other approaches to provider incentives have also been discussed. The Return to Work Group, a partnership of individuals with disabilities, advocates, and service providers, has developed an alternative proposal which adds certain milestone payments for key steps in the employment process during the initial year of service to shorten the period between provision of services and payment through the RTW Ticket. SSA direct funding of employment service agencies would be a substantial change from its current funding of state vocational rehabilitation agencies to provide and/or acquire employment services for benefit recipients, a strategy that has a history of very limited success (NASI, 1996b).**

**Another significant attempt to promote the role of local service providers in the rehabilitation and employment of SSA beneficiaries and recipients is the SSA Vocational Rehabilitation Payment Program. This program will enlist the assistance of local provider agencies (i.e. alternate participants) to provide rehabilitation and employment services to beneficiaries and recipients not being served by state vocational rehabilitation agencies. Alternate participants would be responsible for recruiting beneficiaries referred through the program, assessing their need for employment supports, planning the package of services that will enable them to obtain and maintain employment, and assisting them to achieve SGA for a period of nine months. The alternate participant would receive no reimbursement for services provided until the individual has been employed for the nine month period, at which time the alternate participant would receive full payment for services provided through a fixed fee payment system specified in a previously approved cost containment proposal.**

**The return to work proposals also emphasize adjusting provisions within the SSA disability benefit program for the purpose of helping beneficiaries to understand the program and how employment is feasible for them, supporting employment service agencies as key sources of information for facilitating return to work by beneficiaries, and improving the timeliness of responses by SSA to beneficiaries attempting to work. In summary, the return to work strategies being proposed are broad based and recognize the complex nature of the difficulties faced by SSA beneficiaries in considering employment that will enable them to leave the dependence of the SSA beneficiary rolls.**

### **Concerns Regarding Return to Work Proposals**

**While formal analyses of the potential impact of the RTW Ticket program and Vocational Rehabilitation Payment Program on public and private provider agencies are in their early stages, there are indications that some members of the provider community have greeted the proposal with skepticism. Among the concerns frequently expressed is that the RTW Ticket and Alternate Participant payment proposals outlined above will only assist a very small number of disability benefit recipients to successfully attain employment and leave the beneficiary rolls. There is a fear that the only individuals**

who will benefit are persons who have a marketable skill, are able to work at or close to full time, and who will require only minimal supports.

Another concern expressed regarding the return to work proposals is the notion that only highly capitalized public agencies or larger private agencies will be able to participate in the program. The return to work ticket strategy places the full financial risk on the service provider because SSA will only make payments that are a percentage of savings generated by terminations from the Trust Fund. In the alternate participant program, the local provider agency is required to "front" the cost of providing services for many months prior to receiving reimbursement. It is important to recognize the financial risk involved. There are substantial service dollars involved in successfully assisting individuals with significant disabilities enter and retain competitive employment. The delayed timeline for payments and the "success only" payment structure potentially creates a funding environment that eliminates participation by a number of provider agencies, thus limiting the choices available in selecting service providers. Among the concerns that have been expressed are the following:

- Individuals who are perceived as being too challenging (costly) to serve may not have access to an employment alternative that would greatly enhance their chances of reducing their dependence on government supports and returning to the competitive work force.
- The amount of fiscal and programmatic re-sources that an alternate participant will expend on an individual prior to receiving reimburse-ment will lead to the provider agency "pres-suring" the individual to remain in an unsatis-factory employment setting rather than jeopardizing the agency's potential reimburse-ment.

Recognizing the tremendous potential advantages of the RTW Ticket and alternate parti-cipant proposals from both the perspective of the individual with a disability and the Trust Fund, every effort must be made to insure that the pro-gram is designed in such a way to (1) maximize the number of individuals able to access employment and leave the beneficiary rolls, and (2) solicit parti-cipation by a diverse array of potential provider organizations. The purpose of this paper, therefore, is to analyze the factors influencing the potential success of incentives designed to assist disability benefit recipients return to work through the assistance of employment service organizations.

In an effort to gain input from employment service agencies regarding the return to work proposals, the Social Security Administration asked the Virginia Commonwealth University Rehabili-tation Research and Training Center on Supported Employment (VCU-RRTC) to analyze the pro-posals. To this end, the VCU-RRTC convened a provider incentive work group. The purpose and intended outcomes of the work group were: (a) To constructively analyze return to work proposals to determine their potential impact on local employment service provider agencies; (b) To recommend specific provider incentives that will enable local provider agencies to assist SSI/SSDI recipients to obtain employment and leave the Trust Fund rolls; and (c) To identify specific ways to inform the national provider network of current efforts to promote employment among SSI/SSDI recipients. The work group consisted of individuals experienced in managing and administering the provision of employment services, and also assisting disability benefit recipients to understand the relationship between employment and benefits. It reflected both the public and private sector perspectives.

Of the twelve member panel, five individuals were current administrators of employment service organizations, and a sixth member was a former administrator who has more recently provided training and technical assistance regarding Social Security work incentives and also the delivery of employment services leading to community integrated outcomes. The provider agency administrators represented a cross-section of programs ranging from large, multi-dimensional organizations with an

array of service options, including contracts through the National Industries for the Severely Handicapped (NISH), to small agencies specializing in individual job placements in the community with ongoing supports. All of the provider agency administrators had direct experience in attempting to assist disability benefit recipients enter employment. Two of the panel members worked for national disability constituent organizations in Washington representing the interests and concerns of (a) employment service agencies and (b) persons with disabilities. The remaining panel members worked directly with the content and impact of the Social Security disability benefits program from their perspective as employees of the federal Department of Education, university-based research centers, or private consultants.

The panel met in Leesburg, Virginia on April 17, 1996 and responded to the following five questions through a process where a panel member would frame the discussion around each questions through an initial presentation followed by an open group discussion. The questions discussed are as follows:

1. What are the challenges currently facing public and private provider agencies attempting to provide employment services to SSA beneficiaries? What are the implications of the NASI recommendations for reducing the number of SSA beneficiaries on these agencies providing employment services to individuals with disabilities?
2. What is the potential differential impact of the NASI recommendations on agencies providing services to certain groups of individuals within the overall SSA beneficiary populations, such as persons with a psychiatric disability?
2. How can the NASI Return to Work Ticket and alternate participant proposals be designed and implemented to insure maximum consumer choice and control of service provision?
4. The NASI Return to Work Ticket proposal is designed to insure that providers bear the financial risk by providing services first and being paid later, according to their results. How would this type of approach affect the strategies used by various types of agencies (large/small, public/private, profit/non-profit) to implement the RTW program?
3. What are the non-economic factors (e.g. referral and recruitment procedures, quality assurance, etc.) that impact a provider agency's ability to provide services to individuals with a disability? What, if any, other type of incentives could be provided that would encourage local agencies to participate in programs designed to reduce the number of SSA beneficiaries?

These questions served as a framework for the panel to analyze the factors influencing the potential success of provider incentives designed to assist SSA beneficiaries return to work. The panel members were also asked to identify organizations that should be targeted in the dissemination of information nationally to inform and educate local provider agencies on the return to work proposals and encourage their participation as the proposals are further developed.

After the initial set of results was reviewed by panel members and individuals throughout the country, a significant amount of feedback was received regarding the need to formulate an approach to evaluating the potential efficacy of the return to work proposals. To this end, the final section of this report attempts to summarize the major areas to consider when evaluating the return to work proposals.

The results of the work group's efforts are summarized below. Concerns addressed by the members included promoting consumer choice and empowerment, expanding access to rehabilitation services, encouraging competition and innovation among service providers, implementing an outcome based system that pays providers for employment results that reduce benefit expenditures, and improving administrative efficiency.

Provider incentive programs must provide consumers adequate information to enable them to (1) determine whether they wish to participate in the program and (2) select an alternate participant, provider agency, or individual to provide services.

Lack of information and misinformation about the effect of employment on benefits causes consumers to hesitate to attempt work. For the return to work proposals to be successful, consumers must have access to accurate information early in the planning process and also on an ongoing basis. Key potential sources of quality information include the Social Security Administration local benefits staff, staff of the provider agency, and consumer advocates. The panel questioned whether the staff of employment service agencies should be primarily or solely responsible for the implementation of an information-based planning process.

To maximize its effectiveness, the Return to Work program must insure that consumers have legitimate access to an informed information source. For many consumers with the level of disability related impairments required to be approved for SSA benefits, deciding whether it is beneficial to pursue employment will be a complex decision. The process of providing information to the consumer and discussing potential career options will involve a significant commitment of time. An employment service agency may devote considerable resources to a preliminary information-giving process leading to a decision by a consumer on whether to pursue return to work, with no assurance that this cost will ever be reimbursed. For consumers to approach return to work with confidence, they need timely access to accurate information, and the return to work proposals need to be grounded firmly in a process that assures that information will be available.

Prior to implementation, provider incentive programs should further identify the target population to assist local agencies in their marketing and program development activities.

A major strength of the return to work ticket proposal is its potential application to all SSA beneficiaries. At the same time, many current SSI/DI recipients may be viewed by providers as "too costly to serve" and therefore not be targeted by local provider marketing efforts. To allow maximum participation of all eligible beneficiaries, guidance should be provided to consumers and providers regarding the types of individuals for whom the program is intended. Specifically, analyses should be conducted which would provide additional data on the characteristics of individuals who return to work in order to minimize screening risks to providers.

Many local provider agencies may be reluctant to serve individuals who they believe will have significant support needs or may be "poor candidates" for long term employment retention. For example, potential reimbursement formulas that have been discussed in the Return to Work Ticket program (for example, 50% of an

individual's benefit payment for a five year time period) would only reimburse providers a small fraction of the amount they might receive for providing sheltered employment or supported employment services to the same individual during the same time period. For an SSI recipient receiving \$500 per month or an SSDI recipient receiving \$800 per month, this would amount to \$3,000 and \$4,800 respectively accruing to the agency for a five year period of time. In many areas of the country, local provider agencies could receive from \$6,000-\$8,000 for the delivery of sheltered employment services or from \$4,000-\$6,000 for the delivery of supported employment services, without the risk of no payment should the individual not remain employed for an extended period of time.

This analysis is not meant to detract from the overall significance of the return to work ticket approach or alternate participant program. Rather, it is merely intended to illustrate the importance of identifying the segments of the SSI/DI population who might benefit most from participation in the program, so that these individuals can be the recipients of focused marketing efforts. It is further intended to emphasize the importance of reducing or eliminating situations where beneficiaries are (a) interested in obtaining employment and (b) in their view ready to return to work through participation in the program, but are frustrated after being unable to identify local providers willing to accept the perceived "risks" involved their rehabilitation program.

The Return to Work Ticket and alternate participant programs as currently conceptualized may address the support needs of only a segment of the total SSA beneficiary population.

The Return to Work Ticket and alternate participant proposals have been criticized based on the view that the proposal will lead to widespread "creaming" - a trend among providers to only accept individuals with minimal support needs for participation in the program. The potential for "creaming" is not necessarily a flaw in the design of the proposal, since it implies that there are large numbers of individuals with minimal support needs who could "easily" return to work with minimal investment of provider resources. At one level, the system is designed to capitalize on the propensity of providers to serve individuals viewed as least costly to serve.

At the same, it must be recognized that some beneficiaries have more significant work disabilities than others and will likely require a much greater level of service and support over time to get and keep a job. Under the RTW proposal, the amount a provider actually recovers is in no way related to the level or costs of services provided to an individual to support their success. Therefore, provider agencies are likely to avoid serving individuals who have greater work disability, since far less of the service costs for these individuals may be recouped through the program. The alternate participant program may address this concern to some degree by reimbursing provider retroactively for pre-identified costs involved in providing services to the individual. The return to work proposals appear to be designed to work best for individuals whose support needs are limited to job placement services. Serving persons with a need for or interest in pre-employment training, education, or extensive ongoing support services may not be cost-effective for providers.

To the extent possible, provider incentive programs should furnish assistance and guidance to vendors in areas such as notification, screening, and evaluation.

An advantage of the return to work proposals is their potential ability to promote competition among service providers and bring new vendors into the service delivery network. To achieve this important

goal, SSA should consider what information can be compiled and shared with potential vendors to assist in the recruitment, screening, and evaluation processes. Effective notification systems need to be an integral part of the process to assist providers in identifying candidates who receive and are interested in using the voluntary RTW ticket to benefit from the services of an alternate participant. If competition is to be emphasized (several members of the expert panel forcefully argued that a collaborative system should be encouraged instead), then the system needs to insure a level "playing ground" so that providers do not incur additional risk resulting from factors over which they have no control.

For example, in communities in which there are a number of alternate providers, one agency through aggressive marketing could immediately recruit, accept and develop service plans for a large number of beneficiaries (e.g. 15 individuals) in the community. If that agency is then able to provide quality services which allow the 15 individuals to achieve SGA, then the agency should be rewarded for its efforts. If, however, the agency accepts the individuals' tickets and develops individualized employment plans, but then delays in the delivery of employment services, the agency will have unfairly prevented other agencies or alternate participants in the community from providing badly needed services. In these instances, beneficiaries' chances for achieving SGA are adversely impacted by the practices of the agency.

Effective screening is potentially the most critical of the areas in reducing risk. If a provider cannot reasonably identify people who are likely to return to work prior to an investment of resources, it is highly unlikely that the program will be cost effective for a provider to operate for an extended period of time. The Social Security Administration should consider making available certain data in order for providers to make some pre-determinations about likelihood of success. Little "actuarial" information exists that would be likely to encourage providers to assume the risk involved. Access to available information may expand the prevailing narrow view of who might be expected to be cost effectively served under the proposal. In addition, the question of whether timing issues are likely to encourage use is an important concern. For example, the likelihood that someone who has just been through the multiple components of the disability determination process for the purposes of obtaining benefits will make use of a voluntary ticket or alternate participant program should be empirically investigated.

The panel emphasized repeatedly the primary role of accurate, employment-related assessments to enable the consumer and the service provider to have a base of information upon which to target jobs interests and to build on strengths. Quality assessments, particularly those that incorporate exposure to real work situations in the community, are invaluable in helping to efficiently and effectively plan for the needed services and supports. The fact that funding will not be realized until a significantly later point in time may provide little incentive for agencies to work effectively in the employment planning and development stage. Providers will likely feel pressured to make placements quickly, which could ultimately compromise consumer choice and empowerment and make long-term employment within a particular position or company an unrealistic goal. Under the Return to Work Ticket, the amount a provider actually recovers is in no way related to the level or costs of services provided to an individual to support their success, including time invested in initial planning and assessment. Given this reality, a provider agency is likely to avoid serving beneficiaries who have a greater work disability because of the perception that there is a very real possibility of not recovering costs.

The return to work proposals should contain clear provisions that will identify situations in which the consumer will be able to change jobs, re-enter employment after unsatisfactory employment experiences, and change provider agencies.

Another important factor related to consumer choice and empowerment involves provisions for additional opportunities if a consumer is not successful in initial efforts in returning to work. Provisions are needed for the consumer to begin over if job loss occurs and for the provider to recoup financial loss. The consumer should be able to begin anew with the same provider or with a different provider. Whenever possible, assessments and individual service plans should be carried over to the second chance, except where these entities are the subject of a consumer or a provider complaint. The provider should be able to recoup some fixed expenses, possibly through some milestone-like payments. SSA should resolve issues such as (1) whether the provider agency should be allowed to recoup some fixed expenses where consumers become uncooperative (this issue is addressed in the alternate participant proposal), or (2) whether the consumer will be allowed an unlimited number of opportunities to deposit the ticket with various providers.

Regulations governing the RTW program must clearly address whether provider agencies may also serve as the employer of the individual with a disability.

Several members of the expert panel described potential scenarios in which the community rehabilitation program would serve as both the provider agency and the employer. In most instances, this situation would apply to large

rehabilitation facilities with federal contracts obtained through the Javits-Wagner-O'Day Act. Serving as the employer is an obvious way for the provider agency to minimize risk by maximizing ongoing contact and control of the employment relationship. While the proposal does not specifically address the situation in which an individual "deposits" the ticket directly with an employer, it would be an obvious provider (or any employer) incentive to give priority to the recipient as a potential employee. In the view of several members of the expert panel, this is probably the most likely "low risk" strategy for providers who are also employers to encourage recruitment of SSA beneficiaries.

Provider incentive proposals should carefully consider "dual funding" arrangements as a mechanism for encouraging the participation of small and medium-sized agencies.

The goal of competition among service providers is to provide consumers with real alternatives as they select a service provider. The panel indicated that a very real implication of the return to work ticket is that smaller to medium sized providers will have difficulty participating, thus limiting competition. Smaller provider agencies generally have less working capital and less of an ability to take the significant financial risks inherent in the delayed payment design of the systems for such an extended period of time. Milestone payments based on specific benchmarks such as plan development, or completion of a trial work period, which would share some of the risk with SSAs A system of benchmark payments linked to serving persons with more significant work disabilities, or a payment differential, might help address the delayed payment, success only issue for providers.

The panel indicated that the return to work ticket would have a greater chance for success among small to medium size service providers if these agencies are able to use this reimbursement as a supplement to other funding revenues such as Vocational Rehabilitation, Job Training Partnership Act funds, or Projects With Industry funds. This would not only address some of the financial issues for agencies but would also improve the service options for beneficiaries served under the system. It is important that the provisions for the return to work program do not limit dual funding for the cost of

employment services, particularly during the staff intensive assessment, planning, job development, job stabilization phases of the process.

The panel also raised a question regarding the benefit of establishing a competition-based approach that does not encourage collaboration among employment service providers and related support agencies. It is recognized that the concept of "work disability" reflects much more than a person's impairments. Other factors such as the person's abilities, the work duties of the potential job, and the broader community environment also contribute to the potential for employment success.

Coordinating services for beneficiaries that address all of these factors has been, and will continue to be, a challenge for service providers under the return to work proposal because provider agencies will receive little to no reimbursement in the early stages of employment when the coordination of services and supports is very critical. To be successful in this system, it may be necessary for agencies to function to a greater degree as brokers of services, helping beneficiaries to make better use of other services and natural employment supports existing in the community. Adjustments to the funding formula in the return to work program that would provide more early funding to support staff involvement in collaborative efforts that will potentially save future staff time would increase the chances for innovative and collaborative efforts.

Regulations governing the Return to Work program must address whether consumers may deposit an RTW Ticket with a public funding agency as a method of reducing financial risks to providers.

The return to work proposals emphasize transferring the full financial risk to providers with payment from SSA being dependent on the outcome of services. For small to mid-sized provider agencies to participate, strategies are needed that reduce the risk burden while maintaining performance accountability must be devised. One potential strategy within the Return to Work Ticket program would be to establish an option where the return to work ticket could be filed with a funding agency for whom employment of persons with a disability is a performance goal. For example, local developmental disabilities authorities have become increasingly active in the last decade in funding employment services and are a potential option for filing the ticket (Wehman, Revell, & Kregel, 1995). Centers for Independent Living also fund services leading to community integration through Title VII of the Rehabilitation Act and could serve in either a provider or funding coordinator role depending on the needs and interests of the consumer.

Entities such as developmental disabilities agencies, vocational rehabilitation agencies, and Independent Living Centers have direct funding and service coordination relationships with employment service providers. A consumer might need a variety of services from more than one provider to be successful in employment. The funding agency who receives the ticket would be in a position to access needed services, using where necessary its own funds. The funding agency receiving the ticket would clearly state its expectation of the provider(s) regarding elimination or reduction of Trust Fund support, and the funding agency would receive the payments from SSA as called for in the ticket guidelines for those individuals who successfully generate a savings to the Trust Fund through employment. The funding agencies would be working within their missions; the funds from SSA would allow them to expand the impact of their programs. Consumer choice options would be expanded in the areas of access to multiple providers as compared to a limited number of larger agencies.

**The NASI Return to Work Ticket Proposal and SSA Alternate Participant Vocational Rehabilitation program are innovative, ambitious efforts to promote the economic independence and employment of SSI/DI beneficiaries. As the programs are designed and implemented, it is essential to collect sufficient evaluation information to allow SSA to determine the success or failure of the program, determine areas of strength or weakness, and identify problems, issues or concerns which can be the focus of subsequent program modifications.**

**Insightful program evaluation efforts can help to insure that return to work programs do not adversely affect the economic status of individual beneficiaries. Accurate information can help SSA to determine whether (1) r return to work services are available to all beneficiaries seeking to access this service, (2) individuals are actually receiving services that they are promised when they agree to participate in the program, and (3) participation in the return to work ticket or alternate participant program has a positive or negative effect on the individual's overall economic condition.**

**From SSA's perspective, data collection efforts can provide a much information regarding the amount and types of services provided to beneficiaries and also, the types of agencies, individuals, businesses and organizations that are most likely to take part in the return to work program. Data can also provide information on the perceptions of provider agencies regarding (1) the strengths and weaknesses of the return to work program, and (2) recommendations for improving or modifying various aspects of the program in the future. This information will assist SSA in a number of ways. For example, it will allow SSA to determine whether the reimbursement fee structure established by a specific alternate participant is reasonable in comparison to other service providers serving similar individuals in the same area of the country. It can identify and evaluate potential modifications to the design of the return to work program that will allow it to improve its marketing, training and technical assistance efforts over time. Summative outcome data can assist SSA in justifying the costs of the program to a variety of constituencies. Perhaps most importantly, SSA can use the outcome and satisfaction information to insure that large numbers of individual beneficiaries are not adversely affected as a result of participation in the programs.**

**To fulfill these purposes, program evaluation information should be collected in the following major areas:**

- **Alternate Provider Demographic Information**
- **Consumer/Beneficiary Demographic and Functional Characteristics**
- **Service Plan Information**
- **Termination Information**
- **Employment Outcome Information**
- **Consumer Satisfaction Information**

**The remainder of this section will describe in detail the type of information that might be collected to assist SSA in the task of evaluating the efficacy of the provider incentive and return to work programs.**

#### **Alternate Provider Demographic Information**

**Information should be collected on the number of provider staff, the vocational and non-vocational services provided by the agency/ organization, the number of consumers served in various facets of the program, the relative percentage of consumers across specified diagnostic groups, and other**

related information. In addition, data should be obtained on the location the provider agency and the type of community (urban, suburban, rural, mixed) in which services are provided. This information will determine if providers in certain types of communities experience unique challenges in terms of recruiting consumers for participation in the program, finding a sufficient number of jobs that will allow many individuals to achieve SGA, or avoiding situations where individuals are terminated from program participation.

Program evaluation efforts should determine if certain areas of the country (e.g. rural areas, areas with high unemployment rates, areas with large numbers of non-English speaking individuals) lack provider agencies able to serve alternate participants or recipients of return to work tickets so that individuals wishing to return to work and achieve SGA are unable to access the services they view as essential to their employment.

The information described above, when viewed in relation to data from the areas of Employment Outcomes, Cost and Consumer Satisfaction, can address some of the key marketing questions affecting the return to work programs. For example, a "truism" of the program, expressed informally by many individuals, is that small, poorly capitalized agencies will have a difficult time successfully participating in the program. While this may or not be the case, without sufficient information about the characteristics of the provider agencies involved in the program, SSA will be unable to determine the type of agencies who can successfully provide services in the alternate participant or return to work ticket program versus those agencies who would benefit from modifications to the programs.

### **Consumer/Beneficiary Demographic and Functional Characteristics**

Information is needed related to the consumer's primary disability classification, age of onset of disability, family situation (marital status, number of children, etc.), educational background and other factors. This information can be compared to SSA characteristics on the entire SSI/DI population to determine whether certain groups of individuals with disabilities are having difficulties accessing and benefiting from the return to work ticket or alternate participant program. In addition, background information related to the number and types of jobs previously held by the individual, the length of time the individual has been removed from the work force, type of rehabilitation services previously received (e.g. private employment agency, JTPA program, state employment assistance, etc.) can be reviewed to determine the personal and previous employment characteristics that correlate with an individual's ability to achieve SGA.

Finally in this area, information should be collected which specifies the sources and monthly amounts of public assistance received by the beneficiary, including SSI/SSDI, Medicaid/Medicare, temporary assistance (AFDC), Section 8 housing certificates, food stamps, and other cash or non-cash assistance. This information can be used to examine the economic impact of involvement in the provider incentive programs on beneficiaries, as well as compute the potential benefit-cost ramifications of the program on the federal and state governments.

### **Service Planning Information**

Information should be obtained on the job or position the individual would like to pursue, preferred work locations, the specific type of industry or business that best matches personal career goals, and related information. In addition, the individual can identify any educational or independent living goals being pursued con-currently. This information can be used to compare the individual's expectations for employment with the ultimate outcomes achieved through participation in the return to work program.

Program evaluation efforts should address those factors that the individual feels will most affect job satisfaction. Data should be collected on expectations related to wages, fringe benefits, working conditions, work hours (shift), location of business, supervisory style, full-time/part-time status, opportunities for advancement, general work conditions, and related information. This information will allow comparisons of the individual's employment situation with his or her actual experiences in the return to work program.

Finally, information should be obtained that will reflect the amount and type of services which the alternate participant provides to an individual consumer. This information can be used to determine (1) whether the amount and type of services provided affect the likelihood that an individual will achieve SGA, (2) whether certain types of consumers only receive certain "packages" of services, or (3) whether there are differences in the types of services provided to individuals who are terminated, as opposed to those who achieve SGA.

## Terminations

In the proposed SSA Vocational Rehabilitation Payment Program, alternate participants will be required once a month to specify individuals previously accepted for services who are no longer being served. Specific information obtained will include the date of initial acceptance, date of termination, and reason relationship ended, including:

- Beneficiary dies or enters long-term institutional care;
- Deteriorating or unstable medical condition makes continuing the rehabilitation and employment effort impractical;
- Beneficiary moves out of alternate provider's service area;
- AP unable to place in suitable employment; and
- Program of rehabilitation and employment services terminated by mutual consent between AP and beneficiary-client.

A number of other reasons may shed additional light on the ending of a relationship between an alternate participant and a specific beneficiary. It might be very important to know what party initiated the termination. Was this the suggestion of the provider or the beneficiary? Was the employer involved in terminating an individual from employment? In addition, it will be extremely important to know when in the rehabilitation and employment process the termination occurred. For example, did the relationship end prior to the individual being placed into employment? How long had the individual been working when the relationship ended? If the individual was terminated after job placement, were attempts made to locate and place the individual into a subsequent job. There is a big difference, for example, between an individual being deemed "unable to place into suitable employment" who has

experienced difficulties in multiple employment settings, as opposed to an individual who was deemed "unemployable" after the assessment phase of the rehabilitation process and before initial placement. It is important that SSA be able to identify trends in service delivery in instances where individuals may be viewed too challenging to serve prior to ever entering paid employment.

### **Employment Outcome Information**

Information should be obtained on the type of job held by the individual. This information could enable SSA to determine the extent to which provider agencies are placing people exclusively into entry level service occupations, the degree to which NISH contracts and other similar employment options are being used in the AP process, and the types of businesses which hire alternate provider participants.

It is also important for SSA to monitor each individual's hourly wage and work hours per week or monthly salary as appropriate, as well as fringe benefits. This information can address issues such as whether the individual is on track to achieve SGA within a reasonable amount of time, whether the provider agency has a tendency to place certain groups of individuals with disabilities only into entry level service occupations at minimum wage, and other related issues.

In addition, information should be obtained on the extent to which individuals participating in return to work programs use SSA work incentives, such as 1619a, 1691b, Plan for Achieving Self-Support, Impairment Related Work Expenses, Blind Work Expenses, etc. This data can allow SSA to assess the effect of the alternate participant program on other facets of the overall SSA program.

While the provider agency's primary focus will be on enabling individuals to achieve SGA, the agency must also be taking steps to insure that the individuals will not quickly jobs immediately after the SGA criteria have been met. Information should be collected on the supports being arranged by the provider agencies to insure long-term employment maintenance, including case management, transportation, job coaching, counseling, residential support, assistive technology, work place accommodations, and other types of ongoing supports.

Finally, information should be obtained on the analyses of the actual costs involved in providing the services necessary to allow beneficiaries to achieve SGA through participation in the return to work program. This information can be used to determine the various factors that affect the cost of providing services to individuals participating in the program.

### **Consumer Satisfaction Information**

It is imperative that information be obtained on (1) the extent to which the individual feels that the wages earned on the job are sufficient to meet personal needs and expectations, (2) whether the individual anticipates a raise or pay increase in the near future, (3) whether the company's overall fringe benefit package meets the individual's expectations, and (4) specifically whether the company's medical benefits meet the individual's health care needs.

Data should also be obtained that focuses on the beneficiary's relationship with the supervisor and coworkers. Specific information will look how the individual gets along with his or her supervisor, whether the supervisor provides sufficient support, whether the individual feels included in the work force, and whether the individual believes that he or she is in any way being discriminated against in the employment setting.

In addition, information should be collected on the consumer's satisfaction with the job duties he or she performs and the working conditions experienced on the job site. This would include factors such as the shift (time of day) the individual works, part-time versus full-time status, how the job was obtained (who selected the job), and the extent to which the consumer feels that the job duties required are meaningful and challenging. This information can shed light on the extent to which consumers are involved in directing their own careers and the relationship of this direction to the likelihood that they will remain employed.

Finally, data should be collected on the extent to which the beneficiary is satisfied with the services and supports provided by the provider agencies. This will reveal important information regarding the degree to which the beneficiary was involved in selecting needed supports, the availability of staff when problems arose, the types of problems addressed by the provider, and whether the beneficiary would recommend the provider agency to a friend or use the services again should the need arise.

The Return to Work Ticket and Alternate Participant programs are thoughtful and reasoned responses to a mounting social, economic and political problem - the unchecked growth of the SSI and SSDI beneficiary rolls. The provider incentive work group convened by VCU to consider the RTW ticket and other issues from the perspective of large and small provider agencies identified many strengths within the various proposals. It also discussed numerous ways in which the proposals could be applicable to the largest number of beneficiaries and involve the largest number of potential provider agencies. Several of the key issues discussed by the work group are described below.

First, the members of the work group emphasized that the provider incentive concepts will only achieve their intended effect when included as a key component of a comprehensive program of consumer-focused incentives and other proposed reforms. Provider incentives such as the RTW Ticket and Alternate Participant program will most certainly cause local providers to more intensely focus their efforts on serving SSA beneficiaries. However, without the concurrent implementation of several of the other reforms considered by the NASI panel and under discussion by the NIDRR/SSA Research and Policy Education Work Group, many of the challenges will remain for beneficiaries attempting to enter or reenter the work force. From the perspective of the provider work group convened by VCU, primary obstacles faced by individuals, particularly SSDI recipients, attempting to leave the beneficiary rolls and return to work include (1) the potential loss of health care coverage when the individual no longer qualifies for Medicare/ Medicaid coverage, (2) fear of a loss of income if the individual is unable to obtain a job which pays sufficient wages or in the individual is unable to maintain the job for an extended period of time, and (3) the complexity of existing work incentive provisions and the confusion, on the part of both consumers and providers, surrounding them. Provider incentives such as the RTW Ticket and Alternate Participant program will most certainly cause local providers to more intensely focus their efforts on serving SSA beneficiaries. However, without the concurrent implementation of several of the other reforms considered by the NASI panel and under discussion by the NIDRR/SSA Research and Policy Education Work Group, many of the

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The work group members generally endorsed many of the recommendations outlined by the NASI Disability Policy Panel, including the gradual replacement of benefit support through wages as proposed in the Disabled Worker Income Tax Credit (or a modified version as proposed by the Employment Support Institute) and improved access to medical coverage. The members were less enthusiastic about the necessity of additional financial incentives targeted at employers as a component of a comprehensive reform program. Prior experience with the Targeted Jobs Tax Credit led many of the members to emphasize that employers value competent employees and dependable support services far more than modest financial incentives. While recognizing the value of the Architectural and Transportation Barrier Removal Deduction and the Disabled Access Credit, the work group felt that efforts directed as employers should focus on innovative approaches that meet the needs of businesses and enlist them as partners in the return to work process. A strong recommendation resulting from the work group's efforts is that research and demonstration efforts must be undertaken to effectively involve employers in the return to work process, either as "recipients" of RTW Tickets or through collaborative partnerships with local provider agencies.

Second, it is very important that the unique needs of SSI recipients, including individuals with significant support needs, be considered and included in all aspects of provider incentive programs. Proponents of various types of provider incentives have recognized that initial proposals focus primarily on SSDI recipients. For example, the Return to Work Group acknowledged that some elements of various provider incentive proposals may lead to "creaming." At one level, an argument can be made that initial return to work efforts should focus on individuals who least need the support, thereby protecting the trust fund for "those that really need it." However, when viewed from a larger perspective, this argument is both unnecessary and shortsighted.

The notion that initial return to work efforts be directed primarily toward SSDI beneficiaries and ultimately expanded to meet the needs of SSI recipients, many of whom have no prior work histories, fails to recognize the heterogeneity of the SSA population and the potential trust fund savings that can be realized from the participation of SSI recipients in the program. The obstacles to employment faced by various groups of SSA beneficiaries are enormously diverse. A tremendous amount of evidence exists to indicate that many SSI recipients, particularly those presently being served in sheltered employment settings, are able to obtain and maintain employment through service programs that generate considerable taxpayer savings. At the same time, many SSDI recipients face a combination of functional impairments, discrimination, and economic concerns that make it extraordinarily difficult for them to obtain and succeed in employment. In short, many of the "easy" cases which would result in immediate savings to the trust fund may not be identified if provider incentive programs are not directly targeted to the SSI population from the very beginning of reform efforts.

Many SSI recipients are clearly able to obtain and maintain employment. However, these individuals have a difficult time earning significant wages. For example, recent SSA data indicates that fewer than 10% of all SSI recipients work. Of those individuals, 40% earn less than \$100 per month and 80% earn

less than \$500 per month. To increase the involvement of these individuals, special consideration may need to be given to agencies providing services to SSI recipients. Under the current rules, SSDI beneficiaries lose cash benefits when gross monthly earnings exceed \$500 (following completion of the trial work period). By comparison, SSI recipients who have no unearned income will not lose their cash benefit until monthly earnings reach \$1,025.

Given the current rules, it may be unlikely that large numbers of SSI recipients may earn sufficient wages to be totally removed from the rolls. However, an abundance of evidence exists to document substantial reductions in benefits as SSI recipients begin to enter the workforce. In short, if the intent of current reform efforts is solely to reduce the number of individuals on SSA beneficiary rolls, the primary emphasis on SSDI recipients may be justified. However, if a second purpose of the current efforts is to reduce trust fund expenditures, a failure to include SSI recipients in all stages of program planning fails to acknowledge a source of potentially dramatic trust fund savings.

Third, significant efforts must be directed toward providing consumers the information and support they desire to enable them to select providers and plan their careers. For there to be true consumer choice and empowerment, the panel indicated that the return to work proposals need to support the participation of a cross section of Trust Fund beneficiaries. To accomplish this goal, the return to work programs must support an in-depth information gathering and decision making process for consumers. It must support an assessment process that targets areas of probable success in employment and realistically covers the costs to provider agencies in providing the pre- and post-employment services necessary for long term job satisfaction and success. It must be financially accessible to an array of provider agencies that utilize different job supports designs. Finally, it must recognize that second and third chances are frequently needed by consumers to achieve success in employment.. For there to be true consumer choice and empowerment, the panel indicated that the return to work proposals need to support the participation of a cross section of Trust Fund beneficiaries. To accomplish this goal, the return to work programs must support an in-depth information gathering and decision making process for consumers. It must support an assessment process that targets areas of probable success in employment and realistically covers the costs to provider agencies in providing the pre- and post-employment services necessary for long term job satisfaction and success. It must be financially accessible to an array of provider agencies that utilize different job supports designs. Finally, it must recognize that second and third chances are frequently needed by consumers to achieve success in employment.

Fourth, the return to work programs should be designed to allow the maximum array of agencies, organizations, entities or individuals to participate as providers of employment services. The panel felt strongly that the likelihood of participation and success might be different among different types of providers. Interaction among public and private providers must be carefully considered. For example, in the Return to Work Ticket proposal, could an individual deposit his or her ticket with a state vocational rehabilitation agency or local family service agency? Many of these entities already contract with private providers for services. If the beneficiary filed the ticket with a provider, there might be an impact on the ability or priority in receiving public services. The public entity might also have an expectation of the provider regarding elimination or reduction of other public support. In this scenario, it is to a provider's benefit to have the beneficiary file the ticket with a public agency since it might

then provide the service without the administrative requirements and risk of the proposed Social Security payment system. The panel felt strongly that the likelihood of participation and success might be different among different types of providers. Interaction among public and private providers must be carefully considered. For example, in the Return to Work Ticket proposal, could an individual deposit his or her ticket with a state vocational rehabilitation agency or local family service agency? Many of these entities already contract with private providers for services. If the beneficiary filed the ticket with a provider, there might be an impact on the ability or priority in receiving public services. The public entity might also have an expectation of the provider regarding elimination or reduction of other public support. In this scenario, it is to a provider's benefit to have the beneficiary file the ticket with a public agency since it might then provide the service without the administrative requirements and risk of the proposed Social Security payment system.

Some panel members felt that public agencies may be most likely to have an incentive to participate as they can leverage other dollars and use Trust Fund financing as an offset or windfall without risk to core funding. Other members felt that this approach would encourage recruitment of SS beneficiaries, but, as with the current VR

system, not constitute major portions of those served. The system should, by legislation or policy, address the relationship between this and other programs which could be "bundled" to make the proposal viable to a larger group of beneficiaries as well as providers. At a minimum, the return to work program must provide clear guidance regarding the types of agencies eligible to participate in the program.

The return to work proposal presently under development are important efforts to address a crucial problem. Helping large numbers of beneficiaries to return to employment and achieve SGA will require a combined commitment on the part of provider agencies, individuals, and SSA to overcome potential obstacles and develop creative solutions to challenging implementation problems. While the proposal rightly attempts to increase both the risks and rewards for local provider agencies participating in the process, it is important to design a system in which consumer choice and self-determination will be retained, the return to work services will be available to all individuals who desire these services, agencies will be reimbursed for the actual costs of providing services, and the overall efficacy of the program will be comprehensively evaluated to maximize the success of the program.

The staff of the VCU Rehabilitation Research and Training Center on Supported Employment are indebted to the members of the Provider Incentives Work Group, whose deliberations and ideas are reflected below. A number of people assisted in the preparation of this paper. The Provider Incentives Work Group met on April 17, 1996 to develop the content for this paper. The panel approached their charge with a high level of preparation and energy that lead to a constructive analysis of the return to work proposals.

*These individuals included:*

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|---|---|
| Hank Cheney<br>Work, Inc.                               | Joe Maronne<br>Institute for Community Inclusion          |
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| Karen Flippo<br>United Cerebral Palsy                   | Jane West, Consultant<br>Social Security Administration   |
| Suzy Hutchinson<br>Tri-County Tech                      | Tony Young<br>American Rehabilitation Association         |

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