

Use of Social Security Work Incentives by Supported Employment Agencies and Consumers: Findings from a National Survey

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Abstract

This article reports findings from a survey of 385 supported employment provider agencies on their use of two Social Security Work Incentives, the Plan for Achieving Self-Support (PASS) and Impairment-Related Work Expenses (IRWE). Results indicated that PASSes and IRWEs are used by supported employment consumers at rates far above that of the SSA beneficiary population. PASS and IRWE approval rates were reported to be high, and respondents generally reported few problems in accessing these supports. Set-aside funds were predominantly used to purchase transportation, supported employment services, work equipment and supplies, and other needed supports and services. Findings are discussed in light of reports by the U.S. General Accounting Office that have found mismanagement and misuse of SSA Work Incentives.

Perhaps the most tangible and imposing barrier to employment for persons with disabilities is potential loss of income assistance and health care through programs administered by the Social Security Administration (SSA) and the Health Care Financing Administration. As Bowe (1993) notes, the two major disability-related programs operated by SSA, Supplemental Security Income (SSI) and Disability Insurance (DI), are "dependence-oriented." Individuals who are in need of assistance must prove themselves to be incapable of engaging in Substantial Gainful Activity (SGA), currently determined by earnings of over \$500 per month. Fear of losing benefits, particularly medical coverage under Medicaid (often received due to eligibility for SSI) or Medicare (DI), persuades most beneficiaries to limit their earnings or, more commonly, not enter the labor market at all.

Bowe (1993) has underscored the extent of these economic disincentives for employment using U.S. Census data. Despite empowering legislation in employment and education, between the 1970 and 1990 Census surveys the percentage of individuals with disabilities of working age who were employed declined; a larger percentage are out of the labor force (not employed or seeking employment); and a larger percentage of those out of the labor force consider themselves unable to work because of their disabilities.

To counteract the economic disincentives to employment inherent within the SSI and DI programs, Congress has authorized a number of work incentives. As examples, DI beneficiaries may engage in a trial work period, and may retain eligibility without the need for reapplication; SSI recipients can receive payments even when they engage in SGA (SSA, 1992). Two SSA work incentives are designed to exclude beneficiaries' income from being counted when determining benefits. These are the Plan for Achieving Self-Support (PASS) and Impairment-Related Work Expenses (IRWE). Individuals receiving either SSI or DI are eligible for IRWEs, while only those receiving SSI are eligible for PASSes.

Under a PASS, earned or unearned income is set aside for current or future expenses of training, equipment, services, or supports which are related to a specified employment goal (Emmons, 1995; Prero, 1993; Rheinheimer, VanCovern, Green, Revell, & Inge, January 1993). Model plans have been presented in the literature (Emmons, 1995) and by the SSA (SSA, 1991), and a draft standard form has been developed by SSA and is awaiting approval. A PASS may be written to be in effect for up to 18 months, with the possibility for extension for an additional 18 months. Extension for a fourth year is possible if the PASS includes completion of a multi-year educational program. The PASS terminates when either (1) the employment goal is reached, (2) the recipient ceases to comply with the PASS, or (3) the maximum time period elapses (Prero,

1993). PASSes require prior approval by SSA.

Under the IRWE program, an individual can exclude from his or her earnings any expenditures that are required to become employed, and which are directly related to the individual's disability. Unlike the PASS, the IRWE does not require a written plan and has no time limitations, but does require a monthly accounting of impairment-related work expenses which are approved by the SSA caseworker. The exclusion of income under a PASS can effectively compensate the SSI recipient in full for qualified expenses, and under IRWE for half the expenditure. This is because the IRWE exclusion is figured before the standard exclusion of half of earned income. Thus, half the amount excluded as an IRWE would have been excluded anyway (Prero, 1993).

Both the PASS and IRWE programs allow potential SSA beneficiaries to exclude income in order to become eligible for SSI or DI, and the PASS regulations allow the SSI recipient to include any cost for assistance in developing the plan. These provisions would appear to offer SSI and DI beneficiaries incentives to use the PASS and IRWE programs, and encourage return to work by increasing allowable earnings without the threat of loss of benefits.

However, the PASS and IRWE programs appear to be vastly underutilized within the SSI and DI programs (U. S. Government Accounting Office [US GAO], July 1995). The SSA reports that less than 3% of working SSI recipients have participated in the PASS program, and only about 9% of SSI/DI recipients who are working are using IRWEs (SSA, 1993). A recent report by the U.S. General Accounting Office (US GAO, July, 1995) states flatly that SSA disability programs "return virtually no one to work" (p. 11).

PASSes and IRWEs have been proposed as alternative means of financing long-term employment support needs for individuals with severe disabilities in supported employment (Ford, 1995; Prero, 1993; Rheinheimer et al., January 1993). Supported employment combines time-limited training and adjustment services funded through the Vocational Rehabilitation service system, followed by extended support services typically funded through another source, such as state mental health or developmental disability agencies. Under a PASS, for example, an SSI recipient can pay for his or her own time-limited services until an employment goal, such as a level of productivity or a decreased need for on-the-job support, is reached (Prero, 1993). An IRWE can be used to cover costs of adaptive equipment, services such as job coaching, or supports such as specialized transportation, which the individual requires.

Despite increasing attention to the use of PASSes and IRWEs in supported employment programs, recent evidence indicates that, as in the SSI and DI programs as a whole, these incentives are underutilized by supported employment programs and consumers (Griffin, Test, Dalton, & Wood, 1995; Dalton, Test, Dotson, & Beroth, 1995). Other than case examples (Emmons, 1995; Rheinheimer et al., January 1993), no information is available on how set-aside income is utilized by individuals with disabilities or supported employment agencies. Furthermore, no research has addressed such issues as PASS and IRWE approval rates by SSA caseworkers, consumer involvement in the process, and barriers encountered by beneficiaries and supported employment agencies in utilizing PASSes and IRWEs. Addressing these questions will empower persons with disabilities and support agencies in accessing this resource more effectively. This study was initiated for that purpose. The specific questions addressed by the study are:

1. To what extent are PASSes and IRWEs used to finance supports and services for individuals in supported employment programs?
2. What specific supports and services are being financed for supported employment participants through PASSes and IRWEs?
3. To what extent are supported employment consumers involved in planning and implementation of

PASSes and IRWEs? and

4. What are the problems and barriers encountered by supported employment consumers and provider agencies in utilizing PASSes and IRWEs?

Participants

The survey participants were representatives of 385 randomly selected supported employment provider agencies located in 40 states. The mean supported employment caseload of responding agencies was 47.6 consumers. The mean supported employment staff size was 9.0, from a mean total agency staff size of 81.2. Additional characteristics of these agencies, their services, and consumers are presented below in Table 1. Respondents were typically coordinators of the supported employment program or executive directors of the agency.

Table 1

Characteristics of the Agencies Surveyed

1. Type of service catchment area:	
Urban	17.9%
Suburban	3.4%
Rural	38.8%
Mixed	39.8%
2. Disability groups served:	
Single disability group	32.5%
Multiple disability group	67.5%

3. Specific disability groups served (agencies serving single groups only):	
Mental retardation	69.9%
Mental illness	23.6%
Other disabilities	6.5%
4. Supported employment service models utilized:	
Individual placement only	
Group placement only	50.4%
Individual and group placement	1.3%
	48.3%

Instrumentation

The data for this investigation were collected through the PASS/IRWE Minisurvey of the National Supported Employment Provider Survey, conducted by the Rehabilitation Research and Training Center on Supported Employment at Virginia Commonwealth University (VCU-RRTC). The National Provider Survey was developed by the VCU-RRTC to elicit information via telephone on a number of issues pertaining to supported employment service delivery, such as unserved and underserved populations, use of natural supports, funding for time-limited and extended services, and use of Social Security Work Incentives.

The initial survey requested demographic information as described previously, followed by a single item pertaining to each of the major issues. A "yes" response on the main survey indicated that the appropriate minisurvey should be completed. For the purposes of Social Security Work Incentives, the main survey item was the following: "To your knowledge, have individuals served by your agency utilized either PASS plans (Plans for Achieving Self-Support) or IRWEs (Impairment-Related Work Expenses) to assist them in achieving their supported employment goals?"

The PASS/IRWE Minisurvey, as all elements of the National Provider Survey, were developed through multiple levels of item sub-mission and review both internally and externally. A pilot version of the National Provider Survey was administered by telephone to representatives of 10 supported employment agencies in Virginia, who were then requested to give their impressions of the face validity and response difficulty for the items. The final version of the PASS/IRWE Mini-survey contained 12 items relating to (1) raw number of PASSes and IRWEs utilized in the past year and in relation to the agency's overall supported employment caseload; (2) individuals who were responsible for developing PASSes and IRWEs for the respondent's caseload; (3) consumer involvement in various aspects of developing PASSes and IRWEs; (4) examples of how PASSes and IRWEs were used for supported employment consumers; and (5) problems encountered in using PASSes and IRWEs for their supported employment clients.

Procedure

Sample selection. *The survey sample was drawn from the population of providers of supported employment services as defined and funded under Title VI(C) of the Rehabilitation Act. State vocational rehabilitation (VR) agency staff responsible for their respective state supported employment programs were contacted and requested to provide a current list of public and private agencies vendored for supported employment services in accordance with applicable state and federal VR regulations and policies. The lists were reviewed upon receipt to insure that they were of recent origin, and appeared to contain only names of providers of supported employment. Follow-up contacts for clarification were made for state lists that failed to meet these criteria.* The survey sample was drawn from the population of providers of supported employment services as defined and funded under Title VI(C) of the Rehabilitation Act. State vocational rehabilitation (VR) agency staff responsible for their respective state supported employment programs were contacted and requested to provide a current list of public and private agencies vendored for supported employment services in accordance with applicable state and federal VR regulations and policies. The lists were reviewed upon receipt to insure that they were of recent origin, and appeared to contain only names of providers of supported employment. Follow-up contacts for clarification were made for state lists that failed to meet these criteria.

Several states were unable to provide vendor lists for various reasons. For example, some states utilize VR Counselors for delivery of time-limited services rather than vendored agencies, then transition those cases to extended service provider agencies funded through other state funds. Other states were unable to provide lists due to personnel or time constraints. A total of 40 usable vendor lists were obtained for sampling.

The survey sample was completed through random selection with replacement. An average of 20% of confirmed providers were sampled, with sample sizes ranging from a minimum sample of 10% to a maximum sample of 25% per state.

Telephone surveys. *Because of the extensive nature of the survey, telephone surveys were conducted over the course of approximately eight months by eight telephone interviewers. A survey script was developed that provided a consistent method for interviewers to identify appropriate respondents to the various minisurveys and determine convenient times to conduct the interviews. Most surveys required multiple telephone contacts to schedule and complete, and required from approximately 10 minutes to 2 hours, depending on the number of minisurveys that were indicated from the main survey.* Because of the extensive nature of the survey, telephone surveys were conducted over the course of approximately eight months by eight telephone interviewers. A survey script was developed that provided a consistent method for interviewers to identify appropriate respondents to the various minisurveys and determine convenient times to conduct the interviews. Most surveys required multiple telephone contacts to schedule and complete, and required from approximately 10 minutes to 2 hours, depending on the number of minisurveys that were indicated from the main survey.

Data management and analysis. *Quantitative data were aggregated using spreadsheet and analytical software, Microsoft Excel 5.0. Data analysis included computation of descriptive statistics, means and frequencies. Responses to open-ended items were analyzed and interpreted qualitatively, through inductive content analysis and analyst-constructed typologies (Patton, 1990), which are defined as "patterns, categories, and themes for which a typology can be constructed to elucidate variations and contrasts in activities, participants, and/or staff" (p. 309).* Quantitative data were aggregated using spreadsheet and analytical software, Microsoft Excel 5.0. Data analysis included computation of descriptive statistics, means and frequencies. Responses to open-ended items were analyzed and interpreted qualitatively, through inductive content analysis and analyst-constructed typologies (Patton, 1990), which are defined as "patterns, categories, and themes for which a typology can be constructed to elucidate variations and contrasts in activities, participants, and/or staff" (p. 309).

To what extent are PASSes and IRWEs used to finance supports and services for individuals in supported employment programs?

Of the 385 supported employment agencies surveyed, 223 (57.9%) indicated that they had used PASSes or IRWEs for their supported employment consumers in the previous year. These agencies had written an average of 5.1 PASSes and assisted 4.1 of their consumers with IRWEs, representing 13.3% and 10.2% of their caseloads respectively. Respondents reported that 90.4% of PASSes had been approved by SSA caseworkers, and that 82.8% of IRWEs had been approved. Over three-fourths of the respondents (76.0%) reported that they had an individual on staff who was re-sponsible for assisting their consumers with PASSes, and nearly as many (70.0%) had an individual on staff responsible for assisting consumers with IRWEs. The remainder relied upon paid consultants, VR Counselors, or SSA caseworkers to assist their consumers in accessing work incentives.

What specific supports and services are being financed for supported employment participants through PASSes and IRWEs?

Respondents were requested to provide up to two examples for which PASSes and/or IRWEs had been utilized. Tables 2 and 3 present summaries of those responses. Overwhelmingly, respondents indicated that transportation was the primary PASS and IRWE objective. Other commonly reported PASS and IRWE objectives included the purchase of supported employment services, work equipment and supplies, adaptive equipment, and other specialized services.

Table 2

Services and Supports Funded by PASSes

Purchases	Percent of Respondents Reporting
Transportation	45.3%
Supported employment services	19.2%
Work tools, equipment, clothing	7.9%
Employment-related services	7.5%
Adaptive equipment	6.0%
Non-employment related services	4.5%

Personal assistant	3.8%
Environmental modification	2.6%
Non-employment related goods	1.1%
Other	2.3%

Table 3

Services and Supports Funded by PASSes

Purchases	Percent of Respondents Reporting
Transportation	51.7%
Work tools, equipment, clothing	8.2%
Supported employment services	8.1%
Adaptive equipment	7.5%
Non-employment related services	6.8%
Other employment related services	5.4%
Non-employment related services	4.8%
Environmental modifications	4.8%
Personal assistant	2.7%
Payment to coworkers	0.7%
Other	1.4%

To what extent are supported employment consumers involved in planning and implementation of PASSes and IRWEs?

Respondents estimated that an average of 88.5% of their consumers were involved in determining objectives for their PASSes and IRWEs. Over two-thirds (67.4%) were involved in completing PASSes and IRWE applications. However, only 39.9% were involved in submitting PASSes and IRWEs and following-up on their progress through the approval process.

What are the problems and barriers encountered by supported employment consumers and provider agencies in utilizing PASSes and IRWEs? Respondents were allowed to describe up to three problems and barriers they had experienced in using PASSes and IRWEs in their supported employment programs, which were then coded post hoc. Over one-third (38%) of respondents stated that they had experienced no problems in using the programs. Table 4 presents a summary of problems as reported for this item.

Table 4

Services and Supports Funded by PASSes

Problem Area	Percent of Respondents Reporting
Approval process takes too long	15.0%
Consumer/family discontinue	9.2%
Paperwork too extensive or difficult	8.2%
Approval rates too low	7.8%
Consumer needs don't match allowable expenses	6.8%
Allowable sheltered income too low to make worthwhile	5.5%

As this article goes to press, SSA has transferred responsibility for PASS decisions to its central office and revising regulations. The SSA has taken this action in large part because of the problems highlighted by the US GAO's reports on SSA Work Incentives. The findings from this survey provide a number of counterpoints to the US GAO reports, and these will be discussed here.

First, the survey found that over half of supported employment agencies utilized the PASS and IRWE programs for their consumers. Within the past year, they had written PASSes and documented IRWEs for 13.3% and 10.2% of their caseloads, respectively. While these percentages may seem small, they exceed the proportionate use of work incentives among

working SSA claimants as a group, and only represent PASSES and IRWEs written over the past year. Thus, PASSES and IRWEs appear to be used to a significant degree by supported employment agencies and consumers. Moreover, the findings indicate that consumers are involved to a significant degree in choosing PASS/IRWE objectives and completing the necessary forms.

Over one-third of respondents (38%) stated that they had experienced no problems in accessing PASSES and IRWEs. However, 62% of responding agencies reported at least one problem in accessing these work incentives for their consumers. This tends to support the lack of consistency of service and delays documented in the US GAO report on the PASS program, since most of the reported problems tended to involve administrative processes within SSA for submission and approval (refer to Table 4).

It is noteworthy that 7.8% of respondents indicated that low approval rates were a problem, while approval rates averaged 90.4% for PASSES and 82.8% for IRWEs. While most respondents indicated that all of their consumers' PASSES and IRWEs were approved by SSA, approximately 10% reported approval rates below 75% and approximately 6% reported approval rates from 0% to 50%. Thus, the two findings are consistent within the context of the study and with the US GAO report which cited variable PASS approval rates among SSA offices and caseworkers.

Transportation was reported to be a major objective for PASSES and IRWEs among the survey respondents. However, in contrast to the US GAO report, most respondents indicated that funds were being used to purchase transportation services rather than vehicles. These services included paratransit, public transportation, and ride-sharing with coworkers. This finding should be taken somewhat cautiously, in that respondents were requested for examples of common PASS and IRWE objectives, and not asked for the percentage of PASSES or IRWEs used to purchase services in comparison to that used to purchase vehicles. However, it is consistent with the supported employment population as a whole and the populations served by the respondents to infer that transportation services outweigh vehicles as primary PASS and IRWE expenditures.

Another issue addressed by the US GAO (US GAO, February, 1996) was the practice of vocational service providers assisting their consumers to write PASSES in order to purchase the services which they provide. The report specifically cited the example of supported employment agencies using PASSES to fund job coaching services. The report termed this practice a "conflict of interest" (p. 37) with "potential for abuse" (p. 39). This raises two questions: (1) Should supported employment agencies be allowed to use PASSES or IRWEs to fund services? and (2) If so, who should assist the consumer to write and submit the PASS or IRWE?

Regarding the first question, many potential supported employment candidates do not have access to extended service funding streams due to funding source restrictions or other factors, such as lack of service providers in their area of residence (West, Revell, & Wehman, 1992). A PASS or IRWE can be used to set aside earnings for that purpose through a direct payment to a supported employment provider agency (Rheinheimer et al., January 1993). In addition, sustained growth in the supported employment program has strained many state funding systems beyond their capacities to support individuals currently in the program and those who are eligible yet unserved (Wehman, Revell, & Kregel, 1995; Wehman & Kregel, 1995). PASSES and IRWEs offer consumers an alternative means of obtaining services when public funds earmarked for services are insufficient.

Regarding the second question, this survey found that the majority of PASSES and IRWEs were handled within the agency by the job coach, program coordinator, or other staff person. The survey did not address whether or not the cost of assisting the consumer was typically included in the PASS or IRWE in addition to the fees for supported employment services. When set-aside funds are to be used to purchase services, consumers can and should be given the option of going through a third-party preparer based on information regarding the availability of the service, approval rates, and fees.

SSA has begun several initiatives to increase the number of DI beneficiaries and SSI recipients who enter or reenter the workforce and might eventually leave the disability rolls. One such initiative is the use of alternative service providers, i.e., funded directly from SSA rather than through the Vocational Rehabilitation system. While work incentives such as PASS and IRWE have been underutilized in the past, perhaps the rate of use will increase as the alternative provider system opens up more avenues and opportunities to access needed services, including supported employment.

In conclusion, this survey indicates that PASSES and IRWEs are being used by supported employment providers and consumers for necessary supports and services to obtain and maintain employment. The assistance of the provider agency

in the use of PASSes and IRWEs to set aside funds for services, assuming the individual chooses to use funds for that purpose, is not an abuse of the system. Rather, it enables individuals to access services who might not otherwise be able to do so.

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