Injecting Competition into Public-Sector Return to Work: Prospects for the "Ticket to Work" Initiative

Article Summary:

In 1999 Congress passed the Ticket to Work and Work-Incentive Act in order to encourage a greater emphasis on return to work among individuals with disabilities. The Ticket to Work Act sets up a program where Social Security Administration distributes tickets or a "quasi-voucher mechanism" that can be redeemed by both public vocational rehabilitation providers and private-sector employment networks once a Social Security Disability Insurance (DI) beneficiary returns to work. The motivation for this act was to create competition between the public and private-sectors in hopes of helping more DI beneficiaries return to work and in turn save the SSA money. Although the act was passed in 1999, the first rollout of the Ticket to Work (TTW) program was initiated in 2002.

This article first, provides a historical review of the SSA's attempt to help DI beneficiaries return to work and the link between the DI program, the public-sectors Vocational Rehabilitation and the evolution of the TTW program. Next, the article gives an overview of the SSA's Project NetWork experiment (1993-98) and examines the likely effects of the Ticket to Work initiative using data from this experiment. Finally the Dean, Dolan, and Schmidt outline policy implications for the TTW program suggesting three scenarios. The analysis demonstrates that the success of the Ticket to Work program will depend on whether the private sector replaces the vocational rehabilitative services currently provided by the public sector, or whether it expands the delivery of services both in terms of the level and range of services provided, as well as increasing the portion of DI beneficiaries receiving services.

Reference: