

**Ticket to Work After
the Release of the 2008
Revised Regulations:
Progress and Prospects**

Final Report

September 14, 2012

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Maura Bardos
Bonnie O'Day

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Policy Research

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ACRONYMS

AWIC	Area Work Incentive Coordinator
BASS	Beneficiary Access and Support Services
CDR	Continuing Disability Review
CPR	Certification Payment Request
CSAVR	Council of State Administrators of Vocational Rehabilitation
DCF	Disability Control File
DI	Social Security Disability Insurance (under Title II of the Social Security Act)
EIR	Earnings Inquiry Request
EN	Employment Network
GAO	U.S. Government Accountability Office
IPE	Individualized Plan for Employment
IWP	Individual Work Plan
MINE	Medical Improvement Not Expected
ODAR	Office of Disability Adjudication and Review
OESP	Office of Employment Support Programs
OSM	Operations Support Manager
RFQ	Request for Quotations
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income (under Title XVI of the Social Security Act)
SVRA	State Vocational Rehabilitation Agency
TPDOCM	Ticket Program Data Operations Center Manager
TPR	Timely Progress Review
TRF	Ticket Research File
TTW	Ticket to Work

TWP	Trial Work Period
VCU	Virginia Commonwealth University
VR	Vocational Rehabilitation
WIPA	Work Incentives Planning and Assistance
WISE	Work Incentive Seminar Events, now called Work Incentive and Self-Sufficiency Education Seminars

ABSTRACT

This report describes changes to the Ticket to Work program (TTW) since spring 2010, ongoing activities by the Social Security Administration (SSA) and its contractors to implement and support the program, and beneficiary and provider participation. In July 2008, SSA significantly changed the regulations that govern TTW in an effort to make it more attractive to providers. Since then, SSA has continued to make further changes to program rules and practices, including the introduction of a new Employment Network (EN) contract in mid-2011, which requires ENs to meet higher standards to participate.

The purpose of this report is to assess to what extent the 2008 regulatory changes and more recent activities have been successful in encouraging provider and beneficiary participation. We also report on changes made to program rules and implementation since spring 2010, activities to recruit and support beneficiaries and providers, and plans for future program improvements. Our findings are based on analyses of SSA administrative data on provider and beneficiary participation, and on interviews with SSA and SSA contractors responsible for implementing the program.

We found that SSA continues to refine TTW, that these refinements address important challenges that remained after the revised regulations were implemented, and that they have been successfully implemented by SSA. The number of beneficiaries who participate in TTW has continued to grow. SSA has changed its focus in EN recruitment from enrolling many ENs to enrolling ENs that are able to be strong program partners. As a result, the number of ENs has stopped growing, but the proportion that is actively accepting Ticket assignments has increased. SSA plans to continue to implement changes to strengthen the TTW program, including outreach to providers that already serve eligible SSA beneficiaries; making it easier for ENs and State Vocational Rehabilitation Agencies (SVRAs) to exchange data with SSA; ensuring that ENs are supporting program goals and client needs; and providing beneficiaries with information to help them choose the best EN for their goals.

This is the third in a series of reports that make up the seventh Ticket to Work evaluation report.

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I. INTRODUCTION

The Social Security Administration (SSA) administers two programs that provide income support to over 12 million working-age people with disabilities—the Social Security Disability Insurance (DI) program and the Supplemental Security Income (SSI) program.¹ Although applicants must prove that they are unable to work at substantial levels due to their impairment to receive SSI or DI, many can and do work. Some beneficiaries work at levels low enough to continue to receive benefits, and others earn at levels high enough to exit the SSI and DI programs.

In recent years, Congress has adopted programs to encourage SSI and DI beneficiaries to become and remain employed. The Ticket to Work (TTW) program, included in the Ticket to Work and Work Incentives Improvement Act of 1999, is intended to increase access to, and the quality of, rehabilitation and employment services available to disability beneficiaries.² The program is designed to provide beneficiaries with greater freedom and choice of service providers, create competition among providers to provide high-quality services responsive to beneficiary needs, and give providers incentives to deliver services in the most efficient and appropriate manner to achieve desired outcomes.

Under TTW, beneficiaries become eligible for a Ticket they can use to obtain vocational rehabilitation, employment, or other support services from participating providers called Employment Networks (ENs). These providers receive payments from SSA if the beneficiaries they serve achieve successful employment outcomes. This type of payment system is sometimes referred to as outcome- or performance-based payment. Congress hoped that TTW would give providers incentives to serve beneficiaries in ways that encourage them to enter the workforce and reduce their reliance on Social Security disability benefits.

Although TTW increased the proportion of beneficiaries who receive employment services, analyses of the program for the period of 2002–2004 did not show any effects on employment, earnings, or benefit eligibility (Thornton et al. 2007; Stapleton et al. 2008). A major goal of TTW was to increase beneficiary choice of employment service providers, but as of 2007 many beneficiaries still had little or no choice of ENs (Stapleton et al. 2008). The vast majority (95 percent of Ticket assignments in December 2007) assigned their Tickets to the State Vocational Rehabilitation Agencies (SVRAs) and received the same kinds of services from the agencies as were available before TTW was implemented. The SVRAs were required to accept a beneficiary's Ticket in order to receive reimbursement for their costs of serving these beneficiaries.

In an effort to strengthen the program and results, SSA significantly changed the regulations governing TTW on July 21, 2008. These revised regulations were designed to make TTW more financially attractive to providers and reflect a more flexible return-to-work concept. The regulations made ENs eligible for payments for clients working at levels of earnings which were lower than

¹ The SSI program also serves children with disabilities and individuals age 65 and over.

² Other programs and resources designed to enhance beneficiary employment and included in the act include the Work Incentives Planning and Assistance (WIPA) program, expedited reinstatement, extended Medicare coverage, Area Work Incentive Coordinators (AWICs), and state Medicaid Buy-In programs.

before and they increased the total value of potential payments. SSA also made regulatory and administrative changes to reduce the administrative burden of participating in TTW for providers. The new regulations removed the requirement that SVRAs accept Tickets to receive payments under the traditional cost-reimbursement payment system, requiring instead that SVRAs document that a Ticket was in-use and the beneficiary was receiving employment services from the SVRA.

In 2010, Mathematica Policy Research assessed whether EN and SVRA participation in TTW changed under the revised regulations (Altshuler et al. 2011). Findings were based on analyses of SSA administrative data on provider and beneficiary participation, and on interviews with representatives from SSA, the contractors responsible for implementing the program, five SVRAs, and 17 ENs. We found that SSA structured the revised regulations to address important challenges in the original TTW program, successfully educated providers about the revised regulations, and instituted related support systems. The number of providers had modestly expanded, and participating providers accepted, on average, more Tickets than under the original regulations; however, the overall participation rate increased only modestly (from 2.16 in July 2008 to 2.23 in December 2009). Most participants had their Ticket in-use with a SVRA agency. Some providers reported frustration with ongoing administrative issues or concern that the program was not financially viable for them.

SSA and its contractors have continued to make changes in the TTW program to expand the number of participating providers and beneficiaries, and to address providers' frustrations. The purpose of this report is to assess to what extent the 2008 regulatory changes and more recent activities have been successful in encouraging provider and beneficiary participation. We also report on changes made to program rules and implementation since spring 2010, activities to recruit and support beneficiaries and providers, and plans for future program improvements. We also update data on beneficiary and EN participation through December 2010.

In the remainder of this chapter, we discuss the policy context, our research questions and methods, and primary findings. In Chapter II, we provide more details on policy and programmatic changes since 2010, and describe what SSA and its contractors have done to implement these changes and support the program. Specifically, we discuss the new EN contract, cessation of the Ticket mailings, the status of timely progress reviews, and implementation of enhanced marketing efforts. In Chapter III, we describe beneficiary and EN participation. In Chapter IV, we summarize our findings and draw conclusions about the current status of the TTW program.

A. Policy Context

ENs elect to be paid under one of two available TTW payment systems. Under the original *outcome-only* system, an EN received an outcome payment for each month (up to 60 total months) in which, because of work or earnings, the beneficiary received no DI or federal SSI payments. Under the original *milestone-outcome* system, SSA would pay an EN up to four payments when a beneficiary achieved certain earnings milestones during a specified period. In addition to the milestone payments, monthly outcome payments could be paid to the EN if the beneficiary received no DI or SSI payments due to work or earnings, though these payments were lower than those under the

outcome-only system.³ The payment amounts also differed depending upon whether a beneficiary was a DI beneficiary or an SSI-only recipient. SVRAs could choose whether to serve a particular beneficiary under one of the TTW payment systems or under the traditional cost-reimbursement system in place prior to implementation of TTW.⁴ Under the original TTW regulations, a beneficiary's Ticket had to be assigned to the SVRA for the agency to obtain payment under the traditional cost-reimbursement system.

Although the number of beneficiaries receiving employment-related services increased under the original TTW regulations, 91 percent of beneficiaries participating had Tickets assigned to an SVRA under the traditional payment system (Altshuler et al. 2011). One major challenge was the limited number of ENs actively accepting Tickets. Providers cited inadequate financial incentives, delays in receiving payments for beneficiaries whom they had placed in employment, and administrative requirements they viewed as being excessively burdensome, as reasons they did not accept more Tickets or were no longer participating (Thornton et al. 2007; Stapleton et al. 2008; Stapleton et al. 2010). Some providers accepted Ticket assignments but did not provide services; in each year from 2004 to 2007, 40 to 50 percent of TTW participants reported that they received no services either through TTW or otherwise (Livermore et al. 2010).

SSA designed the revised regulations to increase provider participation by making the program more financially attractive, thereby allowing more opportunities for beneficiaries who can enter employment and leave benefits to do so. Survey data suggest that many more beneficiaries have an interest in employment than the approximately 10 percent who are working at any given time, or the one-half of one percent who leave the rolls due to work in any given year (Livermore et al. 2009a). When interviewed in 2004, about 20 percent of beneficiaries indicated they were actively pursuing work (that is, working, looking for work, or enrolled in training or employment services), and an additional 20 percent were interested in working but not actively pursuing employment. Thus, at any given point in time, about 40 percent of all beneficiaries could be considered "work-oriented." Over a four-year period (2004–2007), about 27 percent of all beneficiaries had earnings in at least one of the four years (Livermore et al. 2009a, 2010).

Both the milestone-outcome and outcome-only payment systems now offer higher potential provider payments. Potential payments for SSI-only recipients have increased to be closer to those for DI beneficiaries. The revised milestone-only payment system includes Phase 1 and Phase 2 payments to providers when beneficiaries earn at the trial work and SGA levels⁵ (Exhibit I.1). Phase 1 consists of four payments, which are available when the beneficiary exceeds the trial work level of earnings during an allotted time period. Beneficiaries achieve Phase 2 milestone payments when monthly earnings exceed substantial gainful activity (SGA), which in 2012 is \$1,010 per month

³ Under the original milestone-outcome payment system, outcome payments made to an EN for a particular beneficiary were reduced based on the number of milestone payments made to the provider for that beneficiary (by an amount equal to one-sixtieth of the milestone payments).

⁴ Under the traditional SVRA payment system, SSA pays an SVRA its allowable costs of providing services to a beneficiary if the beneficiary works and has earnings above the Substantial Gainful Activity level for at least 9 months during a 12-month period.

⁵ The trial work period (TWP) allows beneficiaries to test their ability to work and still receive benefits. If the beneficiary exceeds nine nonconsecutive months of work at a specified level of earnings during a rolling 60-month period, the disability is considered ended. The trial work level of earnings for 2011–2012 is \$720 per month.

for disability beneficiaries who are not blind and \$1,690 for those who are. There are up to 11 monthly Phase 2 milestone payments for DI beneficiaries and up to 18 such payments for SSI-only recipients. Providers become eligible for outcome payments when a Ticket holder they serve works at levels that reduce the monthly cash benefits from Social Security to zero.

Exhibit I.1. Milestone–Outcome Payments Under the Revised Regulations

Payment		Requirement	Amount (Calculated at 2011 payment levels)
Phase 1 milestone payments	1	1 month at 50 percent of the trial work level	\$1,279
	2	3 out of 6 months at trial work level	
	3	6 out of 12 months at trial work level	
	4	9 out of 18 months at trial work level	
Phase 2 milestone payments	1–11 (DI)	Each month at SGA	DI: \$384
	1–18 (SSI)		SSI: \$221
Outcome payments	1–36 (DI)	Each month at \$0 cash benefits	
	1–60 (SSI)		
Total potential payment			DI: \$23,164 SSI: \$22,354

Source: SSA (2008); SSA (2011).

SVRAs no longer need to accept a Ticket to receive payments under the traditional cost-reimbursement system. They may accept a Ticket as an EN, or they may designate a Ticket as in-use and receive payments without completing the Ticket assignment process if they are serving the Ticket holder. Under Partnership Plus, SVRAs and ENs can receive payment for serving a beneficiary sequentially if the SVRA has closed the beneficiary’s case and there has been a subsequent assignment of the beneficiary’s Ticket to an EN. SSA also sought to make the program more attractive to providers by reducing the administrative burden of participating in TTW.⁶

Although these improvements appear to have increased both the number of ENs actively accepting Tickets and the number of new Ticket assignments, the number of ENs and beneficiaries participating in TTW remains fairly small (GAO 2011). About 5.7 percent of work-oriented beneficiaries and 2.3 percent of all eligible beneficiaries participated in TTW as of December 2009 (Altshuler et al. 2011), but although short-term effects on employment and exits from the beneficiary rolls will be explored elsewhere in the seventh TTW evaluation report, long term effects of these changes are unknown. Although payments to ENs increased from \$3.8 million to \$13 million between fiscal year 2007 and fiscal year 2010, 20 ENs received the majority of total Ticket payments from SSA (GAO 2011). Many of the frustrations ENs and SVRAs described under the original regulations continue to pose challenges, with obtaining timely payment remaining a particular challenge. SSA and its contractors continue to adjust their administration of TTW, attempting to reduce the administrative burden of participation and speed up the processing time for paying providers. We describe these efforts in Chapter II.

⁶ See Chapter II of Altshuler et al. 2011 for a fuller description of the revised regulations and SSA’s efforts to streamline administrative procedures.

B. Research Questions and Methods

This report aims to answer the following questions:

- What implementation activities and ongoing support activities have SSA and the TTW program managers engaged in since implementation of the revised regulations?
- What policy and administrative changes have been implemented and how do SSA and the program managers perceive these changes?
- Has TTW participation by beneficiaries, ENs, and SVRAs changed since 2009?

To understand the ongoing administration of TTW and changes made since 2010, we conducted interviews with the following organizations:

- **The Office of Employment Support Programs (OESP).** This is a unit of SSA that has primary responsibility for administration of the TTW program. It provides direction and oversight to the program managers and processes some payments. OESP representatives answered questions about policy details and their efforts to improve TTW, and provided their assessment of the program.
- **The Operations Support Manager (OSM).** The OSM is responsible for marketing to potential ENs and supporting existing ENs. The OSM also processes Ticket assignments and most payments. SSA has contracted with MAXIMUS to perform the OSM functions. OSM representatives provided information on their activities and the administrative processes of TTW.
- **The Beneficiary Access and Support Services (BASS) contractor.** The BASS contractor conducts marketing and education to beneficiaries. SSA has contracted with Booz Allen Hamilton to perform BASS functions. BASS representatives described marketing activities to promote TTW and provided information about the call center.

We also used SSA administrative data drawn from the Disability Control File (DCF), the 2009 Ticket Research File (TRF), and the EN Provider File to generate descriptive statistics about EN and SVRA behavior.⁷

C. Key Findings

Our key findings include the following:

- SSA has continued to make changes to regulations, processes, and strategy to address the challenges of TTW, and it has been successful in implementing these changes. SSA has continued to identify aspects of the program that make it challenging for

⁷ The DCF contains information on anyone who receives SSI or DI benefits, including award dates and Ticket assignments. The extract used in this report was created on April 1, 2011. The Provider File contains information on the Ticket activity of all ENs and SVRAs. The 2009 TRF contains longitudinal information through December 2009, including benefit amounts and Ticket assignments, for beneficiaries who have received SSI or DI benefits any time since 1996.

beneficiaries and service providers to successfully participate, and has continued to make changes to address those challenges, including introducing an expanded automatic-payment program, improvements to the SVRA data transfer system, and enhanced communication between ENs, SSA, and its contractors. SSA has replaced blanket Ticket mailings to beneficiaries with targeted calls to those who are most likely to use their Tickets, and incorporated regular reminders about the program into correspondence that is delivered directly to all beneficiaries, such as annual cost-of-living adjustment (COLA) notices. SSA also revamped the EN contracts and timely progress reviews to make ENs and beneficiaries more accountable for making real progress towards meaningful employment outcomes.

- The number of beneficiaries who have assigned a Ticket to an EN has continued to grow and represents only 6.25 percent of all work-oriented beneficiaries and 2.5 percent of all beneficiaries. During the period leading up to and directly after the revised regulations, the number of new assignments to SVRAs and ENs increased dramatically and has since held relatively stable. The overall participation rate has also increased slightly since July 2008.
- Since January 2009, the number of ENs has ceased to grow, as SSA has focused on limiting the pool of ENs to those with the potential to be actively involved in the program and promote its goals. As a result, the proportion of ENs taking Tickets has increased, and the organizations that continue to participate are likely to be stronger providers. SSA has changed its focus from inclusion of all interested providers to only those that have a strong track record of serving individuals with disabilities, or that have the potential to be strong partners. SSA expects that these changes will continue to increase the proportion of ENs actively taking Tickets and providing services and ultimately the number of beneficiaries who receive high-quality employment services from an EN.
- We believe that the poor economy continues to impede participation in TTW by both beneficiaries and providers. In a more favorable economic climate we would expect more interest in the program from beneficiaries and providers, resulting in higher participation. We would also expect to see more impressive employment outcomes.
- Recent and planned changes have the potential to further enhance the program, but significant challenges remain. Although it is impossible to know at this point how successful recent and planned changes will be in the long term, we might see the number of active ENs and Tickets assigned increase significantly in the near future. Other reports in the seventh TTW evaluation report will address the early effects of the revised regulations implemented in July 2008, but it is still too early to know the effects of the most recent changes and those still in the planning stages. Despite the new and continuing changes being implemented by SSA, success is still uncertain. Many obstacles will likely continue to make it hard for people with disabilities to find meaningful employment that supports self-sufficiency.

II. TTW REGULATION CHANGES AND IMPLEMENTATION SINCE SPRING 2010

SSA issued the revised TTW regulations in July 2008 with the goal of strengthening the program by making it more financially attractive for ENs. The revised regulations aimed to reduce the administrative burden on ENs, increased the total value of potential payments, and offered payments for beneficiaries earning at lower levels. Although SVRAs were previously required to have a Ticket assigned to them in order to receive payment, they now need only put a Ticket in-use by documenting that the beneficiary was receiving employment services from the SVRA.

In a previous report (Altshuler et al. 2011), we detailed the revised regulations and other changes made shortly after their introduction. In this chapter, we highlight the areas in which SSA has made important changes to both the policy and implementation of TTW since spring 2010. In Section A, we discuss the new EN contract that was issued by SSA in spring 2011. The contract strengthens the criteria for becoming an EN by augmenting service and experience qualifications, introduces a more intensive individual work plan (IWP), and adds additional payment requirements to ensure that ENs are providing initial services and ongoing support. In Sections B–D, we describe additional changes to the program: suspension of Ticket mailings in favor of automated calls targeted toward beneficiaries who are most likely to assign their Tickets, reinstatement of timely progress reviews, and a new auto payment system. In Section E, we discuss the activities of the SSA contractors who administer TTW, changes in their responsibilities since spring 2010, and the impact of these changes on the recruitment of and support provided to ENs, SVRAs, and beneficiaries.

A. New EN Contract

SSA structured the new EN contract to increase the accountability of ENs by requiring ENs to demonstrate that they have the relevant experience and infrastructure to sustain active involvement in the TTW program and that they provide tangible, individualized services to beneficiaries. The request for quotations (RFQ) for ENs was issued in June 2011, and since that time all new providers seeking to become ENs have been held to the new standards.⁸ ENs with contracts that are up for renewal will be required to reapply under the terms of the new EN contract, and existing ENs will be required to sign a codicil indicating they agree to the new contract terms. All ENs will operate under the new contract by October 1, 2012.

Minimum EN requirements under the new contract include arranging for or providing career counseling, job placement, and ongoing employment support. Those not offering these services at the time of their application or contract modification must describe how they will do so in the future. Additionally, organizations must outline any other anticipated changes they plan to make if their organization is selected to operate as an EN, including marketing to Ticket holders, establishing a process for completing and reviewing IWPs, introducing services for job acquisition and retention, and adding infrastructure to protect confidential beneficiary data. Recognizing that the lag time between providing services and receiving payments can be long, the RFQ asks applicants to demonstrate that they have sources of funding that will allow them to maintain operations in advance of EN payments.

⁸ SSA issued the new EN contract under SSA-RFQ-11-0010K on June 24, 2011. This solicitation replaces the previous solicitations RFP-09-0010Hw and RFQ-11-0010J.

All existing ENs and organizations wishing to become ENs must submit a business plan as a part of either the contract modification (for existing ENs) or their application (for agencies wishing to become ENs). The business plan must include detailed plans for providing services and must demonstrate a history of offering substantial services for people with disabilities to support self-sufficiency through work. Agencies who wish to become ENs must also supply evidence that they have provided job placement and other employment support services for the previous two years, or for three of the last five years. SSA plans to evaluate the business plan to determine if the applicant is a good EN candidate. Applicants that intend to employ some or all of their Ticket clients must show that these employees will meet or exceed SGA within nine months and must agree to pay beneficiaries for work performed, with wages not contingent on payments from SSA.

Under the new contract, SSA intensified the IWP requirements to ensure that ENs complete individualized and comprehensive IWPs with each beneficiary, and review and update the IWP periodically. Under the new IWP requirements, the EN must provide one-on-one career counseling that focuses both on the short term (searching for, securing, and retaining employment) and long term (achieving self-sufficiency), and must document these activities.

ENs operating under the new contract also are required to periodically demonstrate that they are providing the services outlined in the IWP. Under the revised regulations, to be eligible for the fourth Phase 1 milestone payment, ENs must certify that they provided at least 50 percent of the services detailed in the IWP. Certification consists of a description of the services the EN provided that helped the beneficiary reach specific work milestones as well as a future service plan. The new EN contract adds two additional requirements. First, ENs must provide documentation of actual services provided when they request each of the Phase 1 milestone payments. Second, the EN must contact beneficiaries and update the IWP quarterly to determine whether the beneficiary requires additional services to maintain self-sufficiency. Payment of Phase 1 milestone 4, Phase 2 milestone 11, and outcomes 11 and 22 is contingent on these quarterly updates (Exhibit I.1).

ENs must now include a new form to apply for the above milestone and outcome payments. In this document, called the EN Certification of Services Statement, the EN records the services it provided, and includes an addendum to the IWP that updates the beneficiary's plan for achieving employment success, including any changes to goals or planned services.

The new EN contract represents a shift in SSA's management of ENs and a desire to be more selective when choosing providers to participate in TTW. As a result of the new EN contract and associated performance reviews, SSA expects a net decrease in the number of ENs over the next year. However, those ENs that remain in the program will be better qualified and more experienced. SSA anticipates that these changes will translate into better results for beneficiaries: more beneficiaries will work, their earnings will increase, and more beneficiaries will leave and remain off benefits due to earnings.

SSA's decision to modify and strengthen the EN contract coincided with a May 2011 GAO report on TTW (GAO 2011). The GAO report investigated SSA's oversight of TTW and recommended that SSA establish procedures to evaluate and review the qualifications of prospective ENs, including the requirement of a business plan. In addition, the GAO recommended that SSA develop measures to evaluate EN performance. SSA indicated in their response to the recommendations that these activities were already under way and would be incorporated into the new RFQ requirements.

SSA plans to evaluate EN performance based on the requirements stipulated in the new contract. Beginning in July 2012, SSA will measure EN performance on key indicators annually. In addition, reviews will be conducted on low performers who do not show improvement during the next year. SSA representatives reported that they plan to review service records to terminate contracts with underperforming ENs—those who have taken few or no Tickets or have helped few or no beneficiaries find jobs. SSA will also review EN business plans to determine whether they effectively promote TTW program goals—specifically, helping beneficiaries to earn above the SGA level. As suggested in the May 2011 GAO report, SSA will also focus its reviews on ENs that share a certain portion of the milestone or outcome payment with Ticket holders, to ensure that the payments are used to promote return-to-work efforts and that these agencies are providing valuable services.⁹

SSA has also initiated EN report cards as a part of the performance evaluation process. EN report cards are publicly available on the Choose Work website (<http://www.chooseworkttw.net>) as a resource to help beneficiaries select the best EN for their needs. EN report cards for 2010 became available on September 30, 2011, and include basic contact information, types of services offered, number of staff members, and average years of staff experience. The report card also provides information from SSA administrative data, including the number of Ticket assignments, number of Ticket holders with monthly earnings at or above the trial work level, average number of days from start of service to first job, average hours worked per week, average wage per hour for those working, percentage of Ticket holders with successful job placements, and percentage of Ticket holders who reached the sixth month of work. Customer service measures based on the Beneficiary Satisfaction Survey (described in Section E) will be included in upcoming EN report cards and will contain satisfaction measures related to staff performance, services provided, the job the beneficiary obtained, and overall satisfaction with the EN, as well as the percentage of beneficiaries who would recommend the program to others (see section E for a fuller discussion of the Beneficiary Satisfaction Survey).¹⁰ The 2011 report cards that will be issued in March 2012 include additional information such as how long the organization has been an EN and the number of the EN's clients who are pursuing education or training.

B. Automated Calls to Beneficiaries

In an effort to reduce TTW program costs and more efficiently target outreach efforts, SSA suspended Ticket mailings on June 1, 2011, in favor of automated calls targeted to new beneficiaries who are most likely to assign their Ticket.¹¹ Through the BASS, SSA conducted a trial of approximately 2,500–3,000 calls to test both the accuracy of the interactive voice response software to be used in the outreach calls and the text of the call script. Following a technical evaluation of the model used to target new beneficiaries, SSA began placing automated calls in January 2012.

⁹ The U.S. Government Accountability Office (GAO) found that three of the ENs that receive the largest payment amounts from SSA provided few services to Ticket holders and that two of these ENs retained 25 percent of these payments and passed the remainder on to beneficiaries (GAO 2011).

¹⁰ Nine ENs in California that participated in the pilot already have customer satisfaction measures included on their 2010 EN report card.

¹¹ See Appendix C of Altshuler et al. (2011) for a discussion of potential Ticket targeting approaches and their results.

The automated call informs beneficiaries that SSA has an interesting opportunity to offer them, provides basic information about TTW, and includes an option to speak with someone for more information. Beneficiaries choosing this option are connected to a Ticket Call Center staff person who can provide them with information about the program, services offered by ENs and SVRAs, and the process of assigning their Ticket.

Because research suggests that awareness of TTW is highest directly following the Ticket mailing and decreases with time (Livermore et al. 2009b), SSA is planning a series of contacts to provide beneficiaries with information about TTW. SSA staff is developing a one-page flyer with TTW contact information that will be given to SSI and DI applicants by SSA claims representatives. SSA officials report that they plan to add language about TTW to notices SSA sends to beneficiaries, including disability award notices and annual cost of living adjustment notifications. Through these initiatives, SSA hopes to increase awareness and use of TTW among beneficiaries.

C. Timely Progress Reviews

SSA conducts periodic medical continuing disability reviews (CDRs) to assess whether beneficiaries are still medically eligible for disability benefits. Beneficiaries who assign their Tickets are exempt from medical CDRs as long as they are making adequate progress toward self-sufficiency. To determine whether TTW participants are making progress, SSA conducts timely progress reviews (TPRs). SSA made two changes to TPRs in the revised regulations. To encourage ENs to help beneficiaries find employment during the first year of participation, the first TPR is now conducted at 12 months, rather than 24 months as under the original regulations. In addition, the revised regulations also recognize the importance of education in achieving self-sufficiency, but that beneficiaries may be unable to generate significant earnings while in school. Under the revised regulations, beneficiaries can use a combination of education and work to make timely progress.

After a lengthy moratorium pending issuance of the revised regulations and subsequent systems changes SSA reinstated the TPRs in November 2010. During the moratorium, all beneficiaries with Tickets that were assigned or in-use received protection from medical CDRs even if they were not engaged in work or education. Between November 2010 and October 2011, the Operations Support Manager (OSM) initiated over 123,995 TPRs,¹² approximately 10,000 to 15,000 reviews each month. SSA and OSM staff report that the TPRs are now running according to schedule, and SSA reports that it plans to audit the TPR process in the near future.

It takes the OSM approximately four months to process a TPR from the initial letter to closure. A form letter requesting progress information is mailed to beneficiaries, followed by a reminder if they fail to respond. In each case, a response within 45 days is requested. The OSM reviews evidence submitted by beneficiaries and determines whether sufficient progress has been made. The OSM reports that only 10 to 15 percent of beneficiaries respond to the TPR mailing.

For cases with no response, the OSM contacts the EN to determine whether the beneficiary has made adequate progress. If the EN is unable to confirm adequate progress or does not respond, the beneficiary is sent a notice stating that he or she has failed the TPR and is eligible for the next

¹² All TPR statistics exclude beneficiaries designated as “medical improvement not expected” (MINE) because SSA does not require these reviews for beneficiaries for whom medical improvement is not expected.

scheduled medical CDR. The OSM reports that 79 percent of TPRs in the first year after the moratorium ended in a determination that the beneficiary was not making timely progress (54,038 so far). If beneficiaries disagree with the results of the TPR, they may appeal and request an SSA review. Of the 816 reviews completed between November 1, 2010 and October 30, 2011, 319 (39 percent) have been reversed. The reversal rate is high in part because many beneficiaries do not respond to the TPR requests, but request a review and submit proof of their progress once they receive an adverse decision.

SSA representatives noted two factors that they believe make the current high failure rate somewhat misleading. First, TPRs are conducted only on beneficiaries who are currently receiving benefits. Beneficiaries who have earned enough to stop receiving benefits do not receive TPRs and are not included in the statistics for calculating the failure rate. Second, SSA speculates that the number of minimally qualified ENs who participated in TTW in the past may have contributed to the high failure rate by not providing beneficiaries with the support needed to achieve adequate progress. SSA representatives speculate that the failure rate may decrease with the stronger EN oversight SSA is beginning to implement.

SSA plans two changes that it expects will increase the share of beneficiaries who either pass their TPR or are restored to good standing after failing. First, it will incorporate two TPR measures into EN performance evaluations. Representatives from SSA suspect that incorporating TPRs into the performance measures will encourage ENs to be more focused on helping beneficiaries complete TPR paperwork, ensure that they understand the expectations set for them, or provide additional services that will allow them to pass the review. Second, SSA will use administrative data to identify and restore protection from CDRs to beneficiaries who have failed the TPR but are indeed making timely progress. Examining earnings data for beneficiaries who appear to have failed the TPR, will allow SSA to catch cases where the beneficiary has sufficient earnings to meet the timely progress threshold, but did not respond to the review.

Although the reintroduction of TPRs does not alter TTW program requirements, OSM staff members report that many beneficiaries misunderstand the TPR, thinking that failing a TPR will result in loss of benefits or an immediate medical CDR. In fact, the consequence is eligibility for the next scheduled medical CDR, which may not take place for several months or even years. However, beneficiaries who misunderstand the purpose of the TPRs may be less inclined to participate in TTW for fear of losing benefits. SSA representatives have stated that improving the consistency of information beneficiaries receive about the employment and self-sufficiency purposes of the program, as well as about the TPR, should both improve response rates and mitigate these fears.

D. Ticket Assignments and Payments

ENs can request payment when they believe that a beneficiary has met certain earnings requirements. ENs have several payment request options available, depending on the type of beneficiary and documentation available. ENs can submit primary earnings documentation, such as copies of pay stubs, to the OSM. If the EN does not have primary earnings documentation readily available, ENs can request payment using a certification payment request (CPR), which allows ENs to be paid without primary documentation but requires that any ineligible payments be repaid. ENs can submit CPRs based on either of two kinds of secondary evidence. First, they can submit an earnings inquiry request (EIR) to the OSM, where earnings reported to SSA serve as secondary evidence. Second, ENs can use a recent conversation with the beneficiary or their employer as

secondary evidence of earnings. In addition to the CPR options, an EN can enroll in auto-pay, discussed below in more detail.

The OSM reported that ENs will be able to submit documentation and payment requests electronically in the near future. Select ENs and SVRAs are currently participating in a pilot of the program. ENs will sign into a secure website, known as the EN Portal, where they will be able to submit documents. SSA expects it to be approved and rolled out for use by mid-2012.

In this section, we address changes to the auto payment process, payment volume, and the in-use data transfer system.

1. Universal Auto-Pay

In May 2011, the OSM began recruitment for Universal Auto-Pay, a new automatic payment program. This new program simplifies the payment request process by automating subsequent outcome payments after the first is paid. If an EN elects to enroll in Universal Auto-Pay, all beneficiaries with Tickets assigned to it must be enrolled in Universal Auto-Pay. To participate, ENs must have a minimum of five Ticket assignments and be in good standing, meaning that they either have no overpayments or have set up a payment plan with SSA to pay back any overpayments and are in compliance with it.

To ensure that payments are made only for TTW participants who continue to work, outcome payments numbers two through eleven are payable four months after the claim month. The delay in processing outcome payments two through eleven allows time for SSA field offices to update benefit status during the period when TTW participants are relatively new to their jobs, and thus more likely to leave, or to experience changes in hours worked. Beginning with outcome payment number twelve, payments are payable in the month following the claim month. In addition, the OSM will use quarterly earnings data from the Office of Child Support Enforcement National Directory of New Hires to identify working beneficiaries who have quarterly earnings that suggest they earned enough to potentially qualify for a milestone payment. ENs enrolled in Universal Auto-Pay will receive a notification from the OSM that a TTW participant has met this benchmark so that the EN can gather additional evidence and request payment.

As of August 2011, 110 ENs had enrolled in the Universal Auto-Pay program. Within the first few days of system operations, OSM representatives reported that they processed 948 payments and noted positive feedback from participating ENs. The OSM anticipates that Universal Auto-Pay will increase the total number of claims processed by the payment department. While the system was primarily implemented to simplify the payment claims process for ENs, the new system will also reduce the OSM workload by minimizing the number of EIRs received from ENs, which are typically time consuming for OSM staff to investigate. The OSM speculates that overall, Universal Auto-Pay may result in a net decrease in staff time spent processing EN payments.

Although Universal Auto-Pay offers the potential for ENs to receive payments without having to document and request each one, OSM representatives offered several reasons why it may not be well-suited for every EN. ENs enrolled in Universal Auto-Pay must place all of their Ticket assignments into this system, a procedure that is not attractive to ENs who use automatic payments for some, but not all, of their clients. Although Universal Auto-Pay expedites some payments and makes it less work-intensive for ENs to receive payment, it can also slow down certain payments. Once an EN has enrolled in Universal Auto-Pay, it is no longer allowed to use the EIR process

(whereby the EN requests SSA to check its data for any record of earnings for a given beneficiary). While Universal Auto-Pay provides ENs with some information on the earnings of clients who are still receiving benefits, it is based on quarterly data. As a result, beneficiaries who work intermittently may appear to have more or fewer months at the TWP or SGA levels than is actually the case. ENs that enroll in the program are also not allowed to request any individual payments beyond the initial outcome payment, and so they must wait four months for outcome payments 2 through 11, even if they would have otherwise been able to receive payments more quickly by submitting a payment request. These delays are further magnified for ENs that have not experienced significant issues obtaining primary earnings documentation from their clients, such as employer ENs or ENs with good relationships with clients or employers. These ENs are able to manually submit requests and receive payments with minimal burden. In addition, an EN may potentially receive an overpayment through the Universal Auto-Pay system, which many ENs are anxious to avoid.

2. Changes in Payment Volume

Payment volume and speed have not changed significantly since December 2009. In July 2011, the OSM received almost 4,500 payment requests from 230 ENs. Almost half of all payment requests were paid, with 2,116 payments made to 225 ENs in July 2011, similar to the average of 2,271 payments per month from October 2009 to May 2010 (Altshuler et al. 2011). The remaining requests were either denied (38.8 percent), judged in need of further exploration (10.3 percent), or recommended for payment to SSA (3.4 percent).¹³ In fiscal year 2011, ENs received total cumulative payments totaling \$21.58 million. Overpayments accounted for less than 1 percent of total payments, and totaled about \$150,000. The OSM has a goal of processing all new payment requests within 30 days of receipt with a 95 percent accuracy rate, and representatives report that in July 2011, they met or exceeded those requirements, with an accuracy rate of 98.7 percent.

3. Changes to In-Use Data Transfer

In 2008, SSA and the OSM implemented an in-use data transfer system to allow SVRAs to easily place Tickets in-use and to transfer the data to the OSM. SVRAs must submit files of new Ticket cases or cases that have been closed that contain the beneficiary's name, social security number, date the beneficiary and SVRA counselor signed an Individual Plan for Employment (IPE), and, if the case is being closed, the beneficiary's employment status at closure. The OSM processes the data and marks the beneficiary's Ticket as in-use while the case is open and no longer in-use once it is closed. In response to several SVRA staff concerns (Altshuler et al. 2011), the OSM now requests data on a weekly, rather than monthly, basis and processes cases within seven days of receipt. The OSM sends SVRAs data files that indicate the status of each beneficiary¹⁴ and has instituted on-site trainings for SVRA counselors in using the data to identify cases that could be referred to an EN through the Partnership Plus program.

¹³ Over the past several years, the OSM has been authorized to issue an increasing proportion of payments, but a small number must still be made by SSA. SSA made about 10 percent of payments in mid-2010, and between 80 and 85 percent two to three years earlier (Altshuler et al. 2011).

¹⁴ Dispositions include the following: Tickets were placed in-use with the SVRA, Tickets were not placed in-use because they were already in assignment, records are missing an IPE date, records have an IPE date earlier than the date their Ticket was mailed, and Social Security numbers do not match SSA records.

OSM representatives reported an increase in participation in the data-transfer program, with roughly half of the SVRAs submitting electronic data files via the internet and most of the rest submitting the data on encrypted CDs. CDs are generally sent monthly. A few SVRAs still submit a form for each Ticket put in-use, while others do not submit information on the Ticket-holders they serve until applying for payment. The OSM stated that the data received is generally of good quality, though some problems persist, such as irregular or late data submission and data elements in incorrect fields.

One consequence of poor-quality data submissions is that a beneficiary's Ticket can show as available for assignment in OSM records, when in fact the Ticket is not available for assignment because the beneficiary is being served by the SVRA. It is also possible that a Ticket would continue to appear as in-use after the beneficiary was no longer being served by a SVRA. These situations can make it difficult for beneficiaries to assign their Tickets to ENs in order to receive follow-up services, can cause problems for ENs providing those follow-up services, and could lead to beneficiaries receiving CDRs who are enrolled in TTW and making timely progress, or those who are no longer enrolled in the program remaining exempt.

In a previous report (Altshuler et al. 2011), the OSM reported substantial lags in the submission of data, inconsistent data submissions from many SVRAs, and a need to follow up with agencies to obtain information in the format it needed. Although the OSM reports that these problems have been mitigated, they have not been eliminated. Two future changes are planned to the in-use data transfer system. Although procedures have not been finalized, under the first change SSA plans to require all SVRAs to submit data on cases that are opened to the OSM electronically in order to receive payments under the traditional cost-reimbursement system. SVRAs will not be allowed to submit requests for payment on cases they have served and closed if they do not submit data to the OSM when the case is opened. Second, the OSM began a pilot program called MoveIt, a secure FTP transfer website where SVRAs can upload in-use data directly to the OSM. Six SVRAs participated in the pilot, and the OSM plans to roll out the program to all SVRAs in 2012. The OSM believes this will allow many SVRAs that currently submit CDs on a monthly basis to send their information more often.

E. Outreach and Support to Beneficiaries and ENs

Through two contractors, SSA provides outreach and support to potential and existing TTW beneficiaries, ENs, and SVRAs. SSA has streamlined its outreach and support systems into separate contracts: one for beneficiary outreach and support and the other for EN outreach and support. The BASS contract, awarded in September 2010 to Booz Allen Hamilton, replaces the Program Manager for Recruitment and Outreach contract (formerly awarded to CESSI). The BASS includes beneficiary outreach and the beneficiary call center. The OSM and Ticket Program Data Operations Center Manager (TPDOCM) contracts were awarded to MAXIMUS. Under the OSM contract, MAXIMUS continues to perform many of its previous functions, including support and technical assistance for existing ENs, and processing of Ticket assignments and payments. Under TPDOCM, MAXIMUS operates and maintains the data systems necessary for TTW operations. In what follows, we describe the EN and beneficiary outreach and support activities of these entities.

1. Marketing and Outreach to Beneficiaries

The BASS has planned several new initiatives and redesigned existing programs to reach potential TTW participants. More general initiatives designed to promote TTW have been phased out or altered in favor of efforts that focus on more targeted beneficiary outreach.

a. Work Incentive Seminar Events (WISE)

The BASS now provides support for WISE, which were first instituted by a previous contractor. WISE provide beneficiaries with the opportunity to learn about work incentives, meet with representatives from their local Work Incentive Planning and Assistance (WIPA) project and SSA field office, and obtain information about the services provided by local ENs and SVRAs. The BASS develops program materials, mails invitations to beneficiaries, advertises the events, and assists with event logistics. The BASS reported that 759 WISE were held or scheduled between November 30, 2010 and November 30, 2011. As of late August 2011, the BASS reported reaching about 8,500 beneficiaries, 964 ENs, and 2,800 community partners, with an additional 1,500 beneficiaries expected to attend WISE by the end of November 2011.

The BASS continues to host monthly online WISE, referred to as National WISE Webinars. Presentations are tailored toward specific groups or focused on special topics. For example, one online National WISE Webinar focused on work incentives for beneficiaries who are blind or have vision impairments. Other webinars are coordinated with a national awareness month, such as one planned for beneficiaries with mental illness in May 2011. Webinar materials and recordings are available online after the event, so beneficiaries can access them at any time.

To improve the consistency of information provided and the reach of these events, SSA plans to replace the in-person WISE with conference calls and webcasts in 2012. The BASS will work with Virginia Commonwealth University (VCU) and WIPA projects to develop the new web-based seminars. SSA also plans to refocus and rebrand these events as Work Incentive and Self-Sufficiency Education Seminars, or WISE 2.0, and emphasize the broader theme of financial independence. Work incentives and employment supports will still be presented, but emphasized as tools toward long-term financial independence and self-sufficiency. SSA expects to provide more beneficiaries with accurate, clear, and up-to-date information through this new format.

b. Call Center

Beneficiaries can obtain information about TTW through the beneficiary call center operated by the BASS. All 41 call center staff members have taken a five-day course in benefits planning offered by VCU, and many have completed the follow-up testing required to obtain full certification as Community Work Incentives Coordinators. Call center staff answers basic questions about TTW, provides information about SSA benefits and work incentives, and refers beneficiaries to their local WIPA project for additional information.

Since November 2010, when Booz Allen Hamilton assumed responsibility for the call center, monthly call volume has increased by about 13,000 calls per month. On average, the call center receives 28,784 calls and 135 emails per month. The call center places approximately 2,900 calls per month to return messages or answer email questions. The call center has been able to accommodate the increased call volume without additional funds.

Separating the contracts for the BASS and OSM has led to some issues with call center procedures. Call center staff only have direct access to a limited amount of beneficiary information, including name, address, phone number, type of benefits, and Ticket status. In addition to this limited information, more complete SSA administrative data is held in MAXSTAR, a database created by the OSM. Whenever call center staff needs beneficiary information to process a call center request that is beyond what is available to them directly, staff must request it from MAXSTAR through the OSM. The OSM compiles and transfers the beneficiary information securely to the call center and notifies SSA of the transfer. Depending on what information is needed, this process can be completed the business day after the request is made, or can take as long as two weeks. The OSM typically spends 30 hours per month completing data requests from the BASS. The BASS officials reported that while they are able to access the information they need, the necessity to request data was initially a serious challenge, and the arrangement still requires more effort and time than it would be if they had direct access to MAXSTAR.

c. Other Marketing Activities

The BASS has continued previous initiatives to market TTW to beneficiaries using traditional media such as print and radio. It has also continued the use of email listservs, and greatly expanded initiatives using social media, particularly Facebook and Twitter. BASS officials report that approximately 14 million listeners in 32 states have heard radio public service announcements and that about 2.5 million readers have seen printed advertisements. Social media sites promote participation in TTW, allow users to share success stories, and advertise materials from other federal partners such as disability.gov. Social media are also used to advertise upcoming WISE and webinars. Approximately 2,600 users are fans of Choose Work on Facebook and 400 follow Choose Work—SSA on Twitter. In addition, 42,000 people have opted to receive email updates via a listserv. The BASS also produces tailored materials for groups targeting specific populations, such as a podcast for the Renal Support Network. BASS and OESP worked together to include regular TTW-related information on disability.gov for marketing purposes. The OSM is also using gov.delivery to send messages to the provider community. The BASS introduced a new website targeted to beneficiaries, Chooseworkttw.net. Previously, the Program Manager for Recruitment and Outreach maintained Choosework.net, which is now a legacy site that provides videos showcasing TTW success stories and offers information about WISE events and resources for program stakeholders. The BASS assumed responsibility for this site from the previous contractor, and maintained it until the release of the expanded beneficiary website, chooseworkttw.net. The new website incorporates and enhances elements provided by Choosework.net and other legacy sites, expands on content related to TTW with a focus on beneficiaries, and provides an overall improved user experience. The site is built on a more robust platform and is designed to be flexible so it can continually evolve with the TTW program. The BASS plans to integrate the old and new beneficiary sites, and to continue to make Chooseworkttw.net compatible with the websites operated by the OSM and SSA, which provide information on TTW targeted at different groups.¹⁵

¹⁵ The SSA website is <http://www.ssa.gov/work/>. Both <http://www.chooseworkttw.net/> and the legacy site <https://www.choosework.net> are maintained by the BASS. The OSM maintains <https://yourTickettowork.com/web/ttw>.

At SSA's direction, the BASS has used the beneficiary call center to promote employment opportunities at SSA's Office of Disability Adjudication and Review (ODAR). SSA used its data to identify current Ticket holders with work experience that was relevant to the positions available at ODAR, which included openings for lawyers, clerks, and paralegals. The list of potential job candidates was passed to the BASS, and the call center made calls to these beneficiaries. If beneficiaries expressed interest in the positions, the call center forwarded their contact information to SSA for follow-up.

d. Beneficiary Satisfaction Survey

Under SSA's direction, the BASS began conducting a beneficiary satisfaction survey in September 2011. The National Employment Network Customer Satisfaction Survey assesses participant satisfaction with their EN. The survey collects information about the types of services beneficiaries receive, whether they would recommend the EN to a friend or family member, aspects they like best about the EN, and ways the EN could improve. Beneficiaries are asked to rate EN staff members, employment support services, availability of accessible materials, and how well the EN helped them to understand job availability and to locate other services. Beneficiaries who are currently working are asked about the number of hours they work, the fringe benefits available to them (paid vacation, paid sick leave, medical and dental insurance, and retirement plan), the skill level the job requires, and the level of satisfaction with current employment.

The survey was administered to the approximately 17,000 beneficiaries whose Tickets were assigned for at least three months to ENs that had accepted 35 or more Tickets.¹⁶ The BASS conducted this survey by mail, although beneficiaries could also respond online or by phone if they received a follow-up call. The survey was available in English and Spanish. The BASS reported that the field portion of the survey resulted in a response rate of approximately 25 percent. The BASS draft report is expected to be finalized in 2012. The survey results will be incorporated into an EN report card, discussed previously.

2. Marketing, Outreach, and Support to ENs and SVRAs

The OSM is responsible for activities related to TTW providers, including initial marketing to potential ENs and support for existing ENs and SVRAs. The OSM provides support for existing ENs through targeted contacts, monthly calls, and account representatives, with the goal of increasing EN activity and Ticket taking.

a. EN Recruitment

EN recruitment activities are focused on identifying organizations that have the experience and capacity to provide services to beneficiaries. This approach is a shift from the previous period, when organizations had to meet only minimal qualifications to become ENs. The OSM plans to align its recruitment activities with requirements of the new EN contract to ensure that it identifies ENs that meet SSA's new criteria.

¹⁶ The survey excluded SVRAs acting as ENs.

The OSM coordinates EN recruitment activities primarily through two workgroups: one targeted to ENs that could participate in Partnership Plus and the other targeted to the workforce system. These workgroups replace the previous interagency work groups known as Tiger Teams, which are described in Altshuler et al. (2011).

The Partnership Plus program encourages SVRAs and ENs to offer coordinated services to Ticket holders. Under Partnership Plus, if an SVRA serves a beneficiary, places the beneficiary in employment, and closes the case, the beneficiary can subsequently assign his or her Ticket to an EN to receive follow-up services. Because the beneficiary has received intensive services from the SVRA and follow-up services from the EN, the beneficiary is more likely to retain the job, and both the SVRA and the EN are more likely to receive payments. The SVRA can receive payments under the cost-reimbursement system and the EN can receive Phase two milestone and outcome payments. Through the Partnership Plus workgroup, the OSM is focused on recruiting vendors of SVRAs that are good candidates to become ENs. These efforts are targeted in four primary and two secondary states, but recruitment activities occur in every state.¹⁷ According to SSA, the group also takes advantage of events, such as national meetings of the Council of State Administrators of Vocational Rehabilitation (CSAVR), to market the Partnership Plus program to a broad audience. In 2012, SSA plans to build on relationships with the Rehabilitation Services Administration and CSAVR and to identify umbrella organizations that can serve as administrative ENs—that is, agencies that would process Ticket assignments and payments for agencies providing services to Ticket holders.

The workforce system workgroup is focused on recruiting One-Stop Career Centers, which already provide employment-related services to a large number of potential TTW participants. Although some One-Stop users receive fairly minimal services, such as using a computer to conduct a job search, others receive more intensive services that are similar to those provided by ENs. One study of One-Stop use by SSA beneficiaries in four states that implemented the Disability Program Navigator initiative to improve the quality and accessibility of One-Stop services for people with disabilities, found that SSA beneficiaries who use One-Stop services make up a fairly small share of total One-Stop users, but a larger share of SSA beneficiaries. In the three states that reported full data, 12,979 SSA beneficiaries used a One-Stop in program year 2006, slightly fewer than 500 receiving intensive services, compared with 5,824 beneficiaries with Tickets assigned in December 2006, and an estimated 67,051 beneficiaries who were work-oriented and actively pursuing employment in 2006 (Livermore and Colman 2010).

Despite earlier efforts to make it easier for One-Stops to become ENs, the number participating remained small through December 2010.¹⁸ In early 2011 SSA developed a series of “eProcesses” that significantly streamlined the Ticket assignment and payment processes in order to make the Ticket program more attractive to One-Stop operators. SSA is also working with several State Workforce Investment Boards to implement “umbrella EN” models which will enable one entity to handle all of the administrative functions of the Ticket program for all Workforce organizations in the state. The OSM’s workgroup is recruiting One-Stops to be ENs and piloting

¹⁷ In 2011, Virginia, Texas, Florida, and Pennsylvania were primary focus states, and California and Wisconsin were secondary focus states.

¹⁸ See Exhibit III.9 for more information.

this automated system in South Carolina and New York. This initiative has the potential to greatly expand participation in TTW.

b. Ongoing Support to ENs

Since December 2009, EN representatives have operated under a new administrative model. Previously, each EN was assigned to a specific OSM representative who was responsible for answering questions and resolving any problems. Under the new model, a team of account managers, led by a senior account manager, is responsible for a region. There is one designated representative for each state, but ENs have the flexibility to contact four to six representatives within the “regional pod” who can all perform the same duties and act as a resource for the EN. ENs can contact their representative via phone or email, and the OSM reports that all emails receive a response within 24 hours. EN officials appear to have responded well to this new system, according to OSM officials.

The OSM offers additional forms of support to help ENs be successful TTW partners. The OSM launched an updated website with self-paced trainings and produced bulletins focused on rule or procedure changes. OSM staff continues to conduct Ticket Training Tuesdays, weekly telephone conferences that focus on different aspects of TTW, such as the payment process and successful outreach strategies, and continue to have good turnout and interest from ENs. These are discussed in further detail in Altshuler et al. 2011. The OSM solicits feedback and questions from ENs prior to calls in order to make the trainings as relevant as possible, and to target technical assistance appropriately.

Beginning in October 2010, the OSM increased outreach to inactive ENs, that is, agencies that have signed EN contracts but have accepted few or no Tickets, have not applied for payments, or have not responded to SSA requests for contract modifications. As a part of its contract with SSA, the OSM is required to contact every EN on a monthly basis. These contacts are structured through the use of an activation or improvement plan, designed to increase or improve EN activity. The OSM reports that the goal is to provide ENs with the resources and support they need to increase the number of Ticket assignments, but it anticipates that idle ENs may be inclined to terminate their contracts because of the new contract requirements. While the OSM remains focused on enticing idle ENs to increase activity, it also now recommends nonperforming ENs for termination to SSA.

F. Summary of Findings

SSA’s changes to TTW since spring 2010 have refined implementation of the revised regulations and have focused on improving the caliber of ENs and increasing beneficiary participation. The new EN contract will enhance program oversight and ensure that ENs are qualified to provide employment services to beneficiaries, and performance evaluations will allow SSA and its contractors to target assistance to ENs that are struggling, or terminate the contracts of those that do not perform. As a result, SSA expects to have a smaller, though more experienced and capable, pool of organizations as partners in the TTW program.

SSA and its contractors remain focused on recruiting and supporting both beneficiaries and providers. New initiatives directed at beneficiaries—including WISE 2.0, targeted calls to replace Ticket mailings, and other marketing activities—have the goal of increasing interest and participation in TTW. SSA is conducting TPRs to ensure that beneficiaries are making progress toward meeting employment goals. Through its contractors, SSA has also realigned recruitment activities with the

new EN contract to attract qualified organizations to participate in the program. The OSM is paying particular attention to One-Stops and SVRA vendors. Continuing training and education activities are focused on increasing Ticket-taking activities among existing providers.

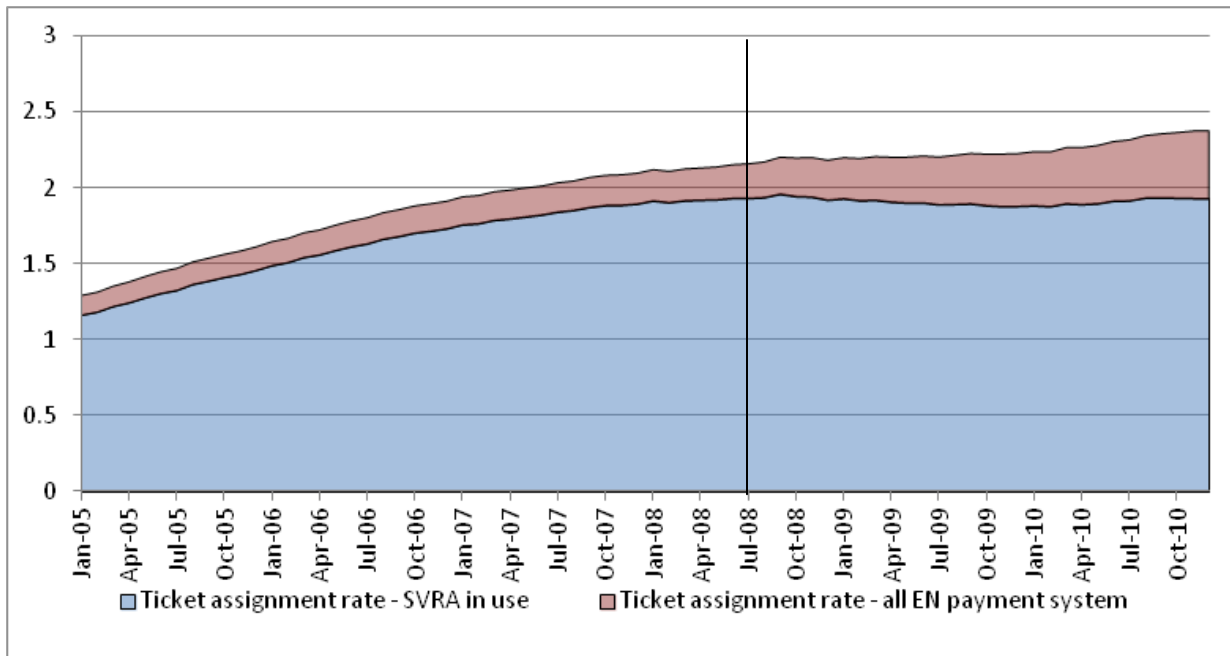
III. BENEFICIARY AND PROVIDER PARTICIPATION IN TTW

In this chapter, we examine changes to beneficiary and provider participation in TTW since the implementation of the revised regulations, with particular emphasis on trends since December 2009, the date for which we last reported TTW participation statistics, and on the general trend since implementation of the revised TTW regulations in July 2008. We find that in 2010, new Ticket assignments under the milestone-outcome system accelerated and the number of ENs actively taking Tickets continued to grow. The overall participation rate increased modestly, from 2.23 percent in December 2009 to 2.38 percent in December 2010, or from 5.6 percent to 6.0 percent of work-oriented beneficiaries. We also find that Partnership Plus cases have expanded to more states, and have continued to grow in states that have been leaders in implementing the initiative, but that only a small number of beneficiaries have used sequential services thus far.

A. Beneficiary Participation in TTW

Through December 2010, two and a half years after the revised regulations went into effect, the overall participation rate in TTW continued to increase gradually, reaching 2.38 percent of eligible beneficiaries in that month or about 6 percent of work-oriented beneficiaries (Exhibit III.1). This represents 293,478 Ticket assignments, up from 259,313 in December 2009, (2.23 percent, or about 5.6 percent of work-oriented beneficiaries) and 231,468 in July 2008 (2.16 percent, or 5.4 percent of work-oriented beneficiaries). Ticket assignments to SVRAs under the in-use payment option have remained largely flat at slightly under two percent since 2008; growth in the participation rate has come instead from Ticket assignments under the EN payment systems. The EN participation rate reached 0.45 percent in December 2010, representing 55,545 Ticket assignments, up from 40,859 in December 2009 (0.35 percent), and 24,727 in July 2008 (0.23 percent).

Exhibit III.1. TTW Participation Rates by Payment System, 2005–2010

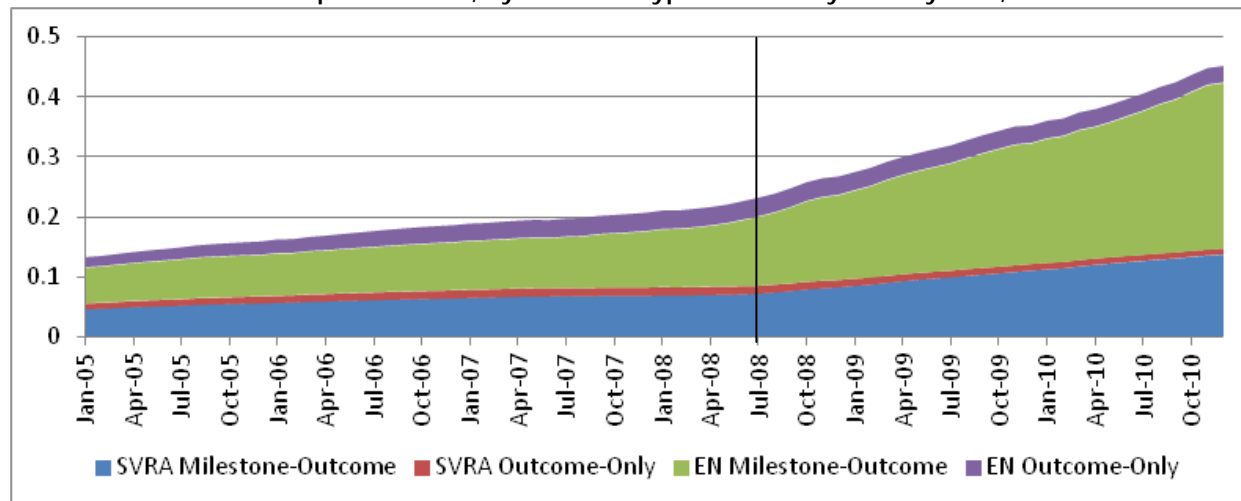


Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

Most of these gains can be attributed to Ticket assignments under the milestone-outcome system, especially those to ENs (Exhibit III.2). Since December 2007, the rate of Ticket assignments to ENs under the milestone-outcome system has tripled, from 0.09 percent to 0.28 percent, and the assignment rate to SVRAs under the milestone-outcome system has doubled, from 0.07 percent to 0.14 percent. Assignments under the outcome-only payment system remained flat at 0.04 percent between December 2007 and December 2010. The increase in participation under the milestone-outcome system, particularly while other systems were largely stagnant, suggests that the revised regulations were instrumental in making the payment option more enticing to ENs.

Exhibit III.2. TTW Participation Rates, by Provider Type and EN Payment System, 2005–2010



Source: Disability Control File, April 2011.

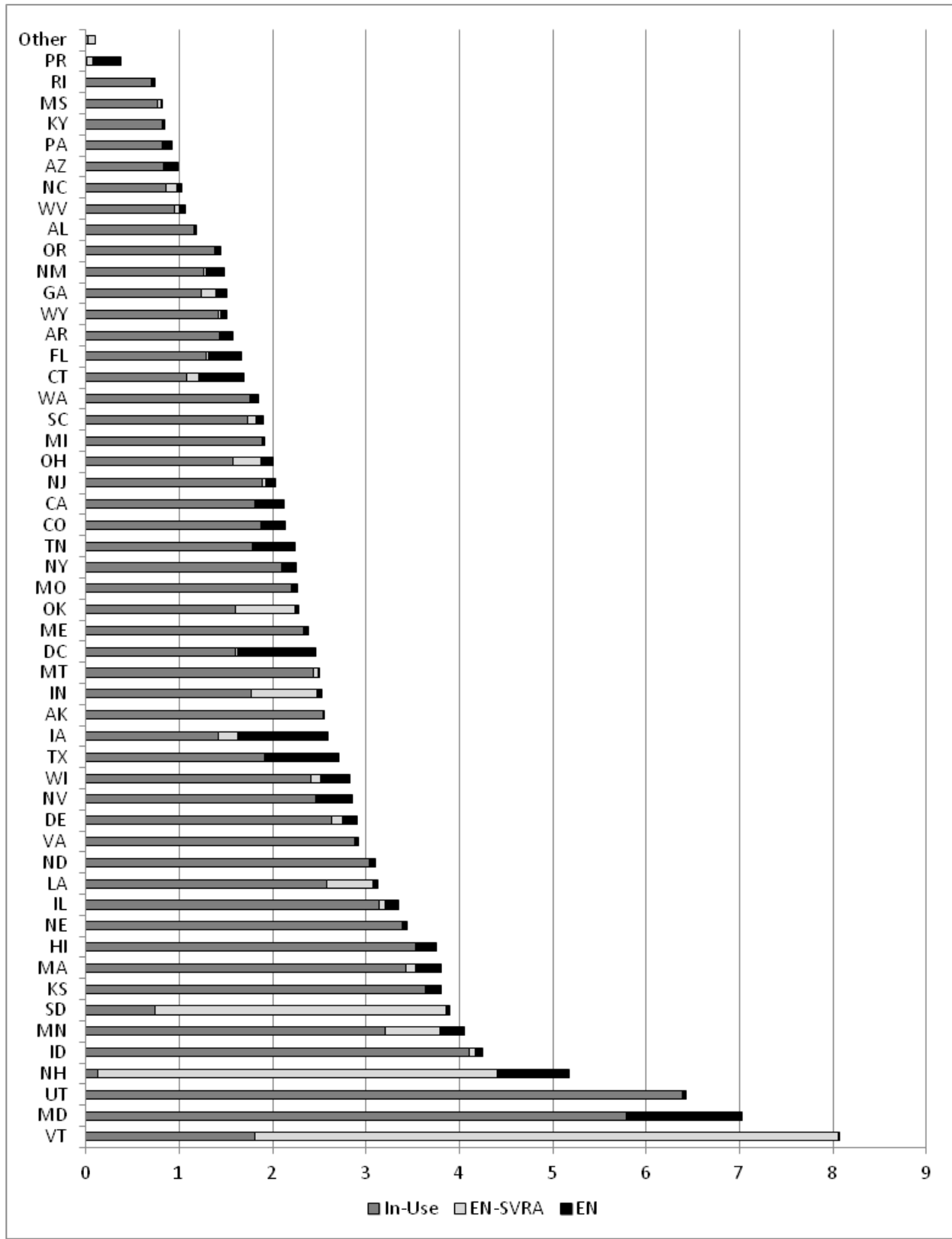
Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

TTW participation rates vary considerably by state, but in most cases are driven primarily by SVRAs placing Tickets in-use (Exhibit III.3).¹⁹ Vermont, New Hampshire, and South Dakota have high rates of Tickets assigned to SVRAs under an EN payment option. Every state has at least one Ticket assigned to an EN, but the EN participation rate ranges from 1.2 percent in Maryland to less than 0.1 percent in several states. Only in Puerto Rico do more than half of TTW participants have their Tickets assigned to an EN, although such assignments make up a substantial share (about 30 percent) of all Ticket assignments in Connecticut, Iowa, Texas, and the District of Columbia.

In December 2006, TTW participation in Vermont was dramatically higher than in all other states. When TTW was implemented, Tickets to beneficiaries were released in three phases, and there were distinct differences in the participation rates of states in different phases. By December

¹⁹ At the time of the writing of this report, data on state-level TTW participation rates were available only through December 2009. As a result, unlike all other figures in this report, Exhibit III.3 shows data through December 2009, rather than December 2010.

Exhibit III.3. TTW Participation Rates by State, December 2009



Source: Ticket Research File, 2009.

2009, participation rates across states were more uniform, and the differences between phases were less evident.²⁰ As in previous years, in December 2009 Vermont continued to have a relatively high rate of participation in TTW at 8.1 percent, a slight decrease from December 2006. Utah, another state with high participation rates early on, also continued to have a relatively high TTW participation rate in December 2009, when it stood at 6.4 percent, up from 3.0 percent in December 2006. Other states experienced increases in their participation rates, both in general and relative to the average. Maryland, in the top third of Phase 3 states but not a stand out in 2006, became the state with the second highest participation rate at 7.0 percent, while New Hampshire, which started participating in TTW more slowly, had the fourth highest in December 2009, at 5.2 percent. Conversely, Wisconsin and South Dakota, which had the second and third highest participation rates in December 2006, at 4.7 and 4.5 percent respectively, had lower rates in December 2009, at 2.8 and 3.9 percent respectively. In general, states with higher participation rates in December 2009 were those with smaller beneficiary populations. However, many factors likely affect TTW participation, and there are exceptions to this observation. Maryland, a state with a beneficiary population around the median had a particularly high participation rate, and Rhode Island, with the tenth smallest beneficiary population, has a particularly low participation rate.

Generally, states with high levels of participation in December 2006 continued to have high participation in December 2009, and states with low levels of participation in December 2006, after adjusting for phase, continued to have low levels of participation in December 2009. Even in the state with the highest rate of participation (Vermont), only about 8 percent of eligible beneficiaries participate in the program, and the state with the highest rate of Ticket assignments to ENs (Maryland) had 1.2 percent of eligible Tickets assigned to ENs.

Based on survey results, we know that about 40 percent of beneficiaries report that they want to or plan to work in the future (Livermore et al. 2009c). While others might change their attitudes to work in response to outreach, we can infer that only the 40 percent who are interested in work will be interested in TTW. Additionally, about half of work oriented beneficiaries were not currently working, looking for work, or receiving services or training at the time of the interview (Livermore et al. 2009a). Others might be waiting for their medical condition to improve, or for other changes to occur before engaging in a search for work. Additionally, not all beneficiaries who pursue work enroll in employment services to do so. In this context, the TTW participation rate in Vermont looks quite high, at about 20 percent of work-oriented beneficiaries, and about 40 percent of those who are actively pursuing employment. Nationally, as much as 5.6 percent of the target population was participating in December 2009, or up to 11.2 percent of those actively engaged in a search for work.

²⁰ TTW was introduced to states in three phases. The first phase began in February 2002, the second in November 2002, and the third in November 2003. Phase 1 states had experienced almost five years of TTW by December 2006, while Phase 2 states had experienced four years and Phase 3 states had experienced almost three years. In December 2006, Vermont had the highest participation rate among the Phase 1 states, South Dakota had the highest rate among the Phase 2 states, and Utah had the highest rate among the Phase 3 states. See Stapleton et al. (2009) for more detail on state-level participation as of December 2006.

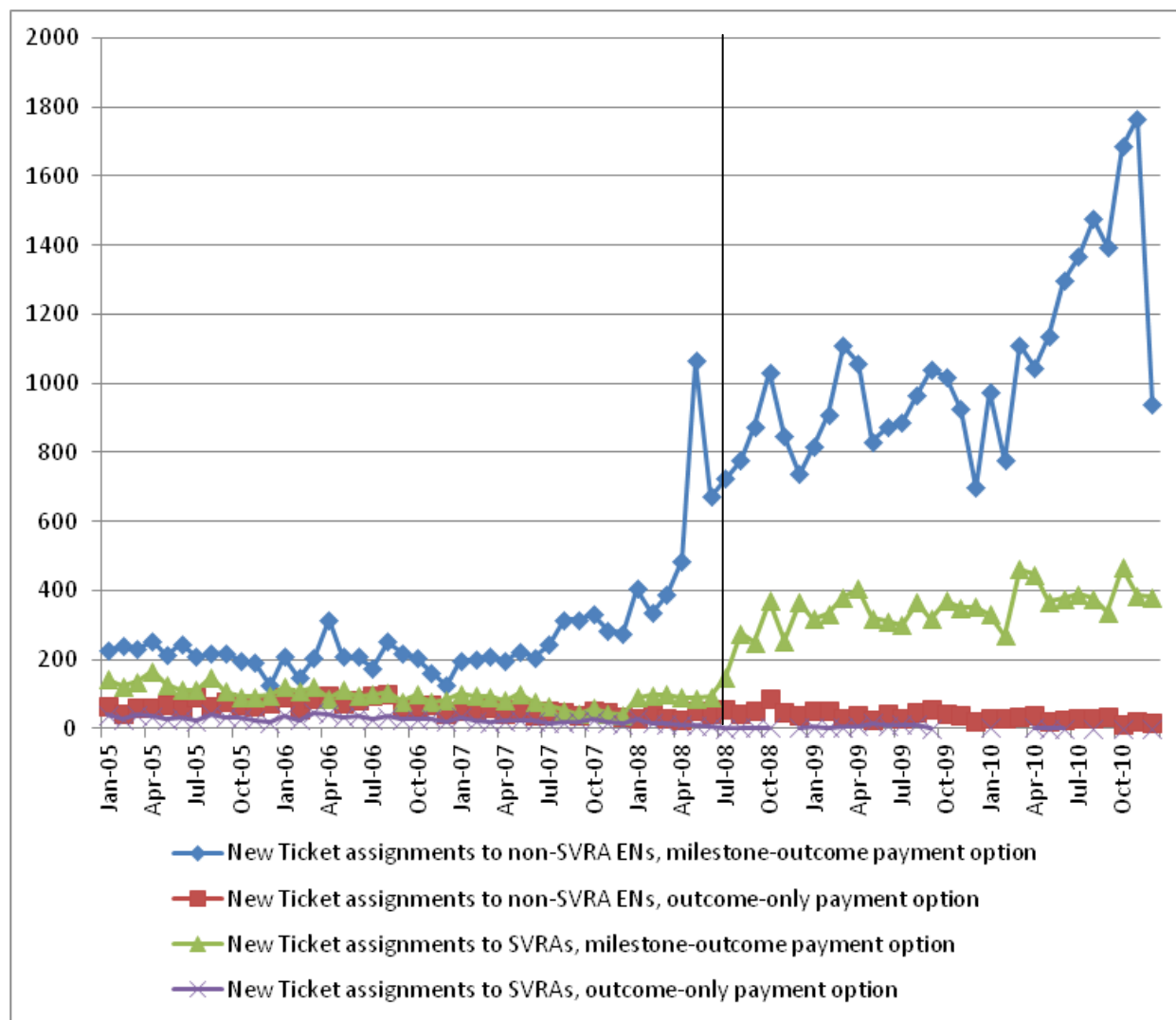
B. Changes in the Volume of Ticket Assignments Under the EN Payment Systems

New beneficiaries become eligible for TTW each month, while others unassign their Tickets or have their cases closed by an SVRA, so keeping participation rates level requires a steady stream of new assignments. Since the introduction of the revised regulations, the number of new assignments under the outcome-only payment option has remained fairly steady and low relative to new assignments under the milestone-outcome payment system (Exhibit III.4). New assignments to SVRAs under the milestone-outcome system increased dramatically following the revised regulations, and they have remained steady at their new level, about 300 per month, compared with about 100 new assignments per month under the original regulations. This might suggest that the change in regulations spurred fairly rapid changes in the way SVRAs decide which Tickets to pursue as milestone-outcome assignments and in the way SVRAs encourage beneficiaries to assign their Tickets; it might also suggest that these new practices have been applied fairly consistently. A representative of an SVRA that accepts a large number of Tickets under the EN payment system reported in early 2010 that the agency had prepared for the revised regulations by determining the financial implications of various strategies, and made a decision based on that analysis (Altshuler et al. 2011).

New Ticket assignments to ENs under the milestone-outcome payment option increased dramatically during the months surrounding the implementation of the new regulations and remained higher than under the original regulations, but with considerable month-to-month variation throughout late 2008 and 2009. Beginning in spring 2010, the number of milestone-outcome assignments to ENs increased in almost every month, from 777 Tickets in February to 1,768 Tickets in November, and then dropped off dramatically in December. It could be that the initial jump was in response to the changed incentives—that is, among ENs that already had the capacity to take Tickets but had been unwilling to do so because of the cost and payment structure—while the steady growth in 2010 was a response to factors that accumulated over time, such as increased availability, competence, and confidence on the part of providers, and growing beneficiary awareness of the program. Although small in comparison to all Ticket-eligible beneficiaries, the over 2,000 beneficiaries who assigned a Ticket under the milestone-outcome option in November 2010 represent a sevenfold increase from the number who did so in December 2007.

Although we are unable to say with certainty why assignments dropped in December 2010, we do not believe that this suggests a change in trend, but see it rather as the result of a seasonal pattern and a data lag. Data pulled in July 2010 showed fewer milestone-outcome Ticket assignments to ENs in December 2009 than do data extracted in April 2011, suggesting that some of the drop in December 2010 is the result of data lags, and will disappear in later data pulls. Additionally, a similar though smaller drop is also seen in December 2008 and December 2009. This leads us to believe that the number of assignments in December is generally below trend. This could be because paperwork backs up as providers rush to complete year-end accounting and reporting tasks, or staff sees fewer clients if they are out of the office for part of the month, or clients are less likely to seek out new employment services if they are busy with holiday preparations and celebrations.

Exhibit III.4. Number of New Ticket Assignments, by Provider Type and EN Payment System, 2005-2010

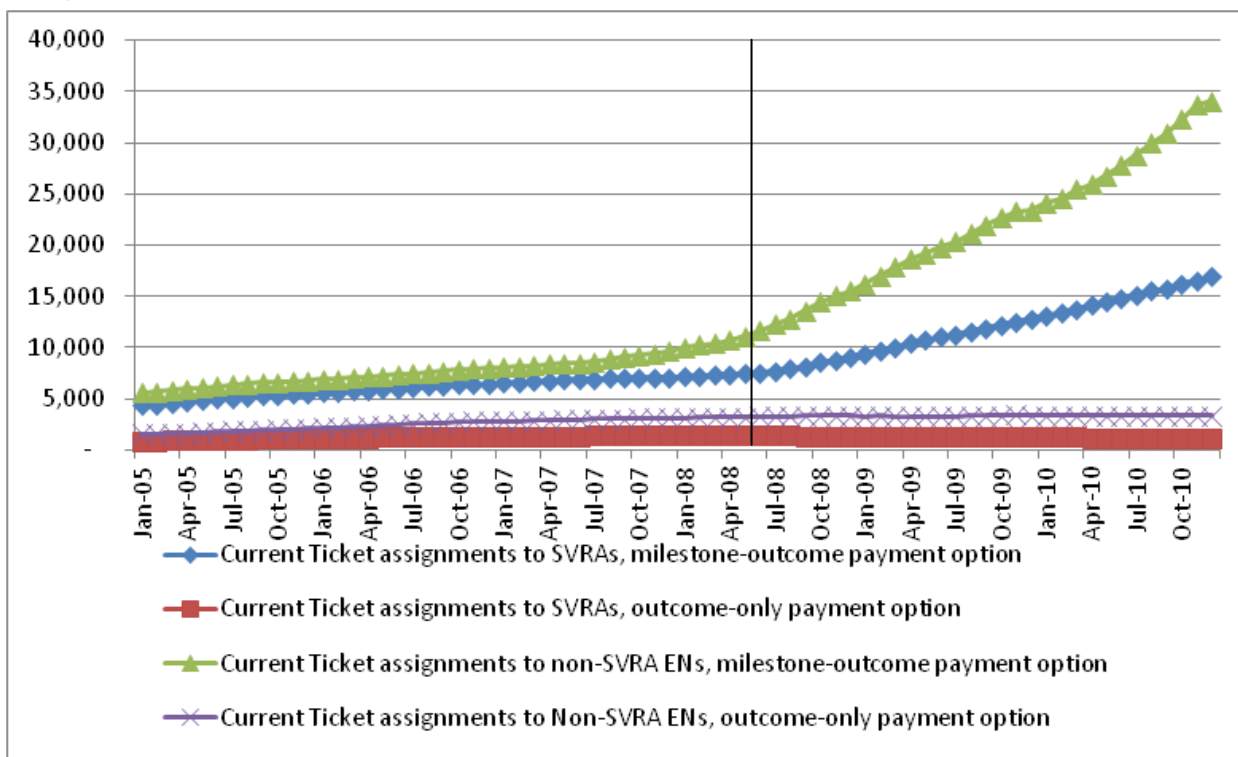


Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

As expected, the total number of Ticket assignments mirrors the participation rate (Exhibit III.5). The total number of Ticket assignments under the milestone-outcome payment option has grown rapidly since shortly before the introduction of the revised regulations, and has continued to do so in 2010. As with the participation rate, this growth has been more pronounced among ENs than among SVRAs and has been accompanied by only small changes in the use of the outcome-only option.

Exhibit III.5. Total Monthly Number of TTW Assignments, by Provider Type and EN Payment System, 2005–2010



Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

It is important to note that not all beneficiaries with a Ticket assigned are receiving employment services. Tickets are rarely taken out of assignment, so Tickets remain assigned for beneficiaries who are no longer receiving services, including both those who have decided against seeking employment support through TTW and those who have successfully found work and do not need ongoing services. Some beneficiaries with Ticket assignments may have never received substantial services, as some ENs do not provide them but instead offer resources on job searches or referrals to other agencies. Between 40 and 50 percent of TTW participants surveyed in 2004–2006 reported that they had not received any services during the past year (Livermore et al. 2010). Over those three years, beneficiaries reported decreasing service use, so we would expect that the share of TTW participants who are receiving services may have declined further, as many current Ticket participants have been in the program for some time.

Recent and upcoming revisions to EN contracts will ensure that ENs will receive payments only if beneficiaries are receiving services, that ENs that truly do not provide employment services will be removed from the program, and that beneficiaries will receive protection from medical CDRs only if they are making progress in the program. According to current SSA regulations, the beneficiary or the EN is responsible for asking the OSM to unassign a Ticket when either believes it is necessary, but this does not always occur. Therefore, it is difficult to determine how many beneficiaries are actively receiving services through TTW. The current number of assignments provides a ceiling for how many could be. SSA expects that the new contract requirements to

provide ongoing support services, the EN report card, and other performance measures will result in incentives for ENs to unassign the Tickets of beneficiaries that they are no longer serving. Under the new requirements, ENs cannot receive payments for beneficiaries they are not serving, even if these individuals have earnings. Meanwhile, the EN report card and other performance measures will take the employment progress of all clients into account, as well as their satisfaction with the EN. As a result, keeping Tickets open when the beneficiary is no longer pursuing employment or is no longer receiving services from the EN can negatively impact an EN's report card and performance standing. With no potential for payments for former clients, and the possibility of lower scores on the EN report card, SSA expects that ENs will be more proactive about unassigning Tickets when they stop working with clients than previously.

C. Changes in EN Availability and Service Provision

Following a dip in the year leading up to the revised regulations, the number of registered ENs increased during the second half of 2008 and the first half of 2009, and it has remained fairly stable since (Exhibit III.6). However, the number of registered ENs remains slightly below its peak of 1,479 in March 2006, at 1,406 in December 2010. Before the 2007–2008 dip it was rare for a month to feature a decrease in the number of ENs, but decreases became more common in 2009 and 2010. We might expect to see a decline in the number of ENs, or more volatility in the series, as the OSM continues to proactively contact idle and underperforming ENs, and as ENs are required to sign a new contract to continue to participate in the program. The reasons for EN contract terminations are discussed later in this section.

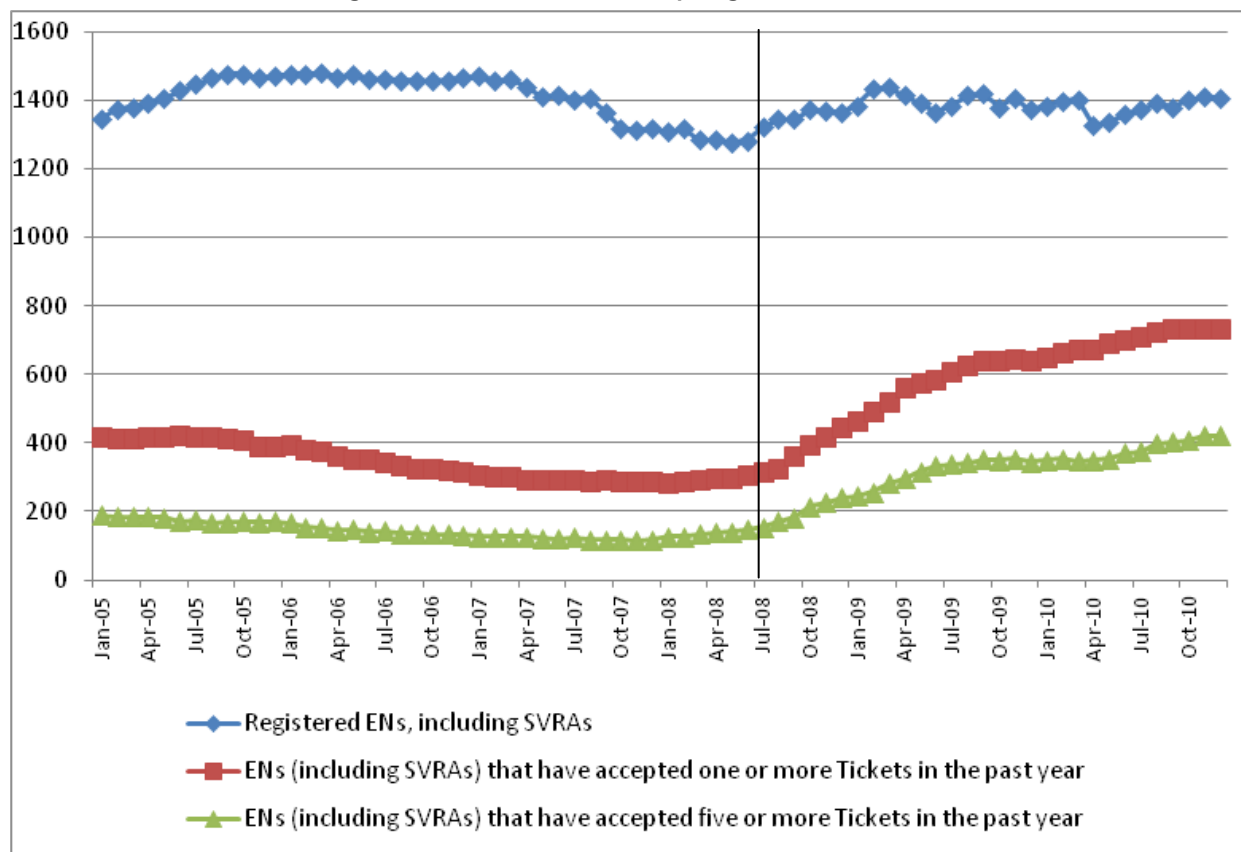
During the first 18 months following the introduction of the revised regulations, the number of ENs that had accepted at least one Ticket in the previous year approximately doubled, though this growth slowed to 15 percent in 2010. It may be that the ENs that could easily begin taking Tickets did so shortly after the revised regulations went into effect, while those that needed more support or more time to establish their TTW infrastructures began taking Tickets only more recently. Changes in the total number of ENs mask growth in the percentage of those that were actively taking Tickets. While in December 2008, 33 percent of ENs had accepted a Ticket during the past year, 47 percent had done so in December 2009, and 52 percent in December 2010.

Meanwhile, the number of ENs that had accepted at least five Tickets during the previous year climbed in the first year following implementation of the revised regulations, and then stalled for a year, from summer 2009 through summer 2010, before increasing somewhat in late 2010. The proportion of registered ENs that had accepted at least five Tickets in the previous year grew from 11 percent in July 2008, to 30 percent in December 2010. The proportion of active ENs (those that had accepted at least one Ticket) that had accepted at least five Tickets also grew. In December 2010, 57 percent of active ENs had accepted at least five Tickets (421 out of 733), compared with about 54 percent in December 2008 and December 2009, and 49 percent in July 2008.

Trends in the number of ENs accepting Tickets are driven both by changes in the composition of ENs and changes in the activities of existing ENs. To better understand the reaction of existing ENs to the revised regulations, we compared the number of assignments before and after the regulatory change for ENs registered during both periods. On average, the 603 ENs that were registered in both July through December 2007 and July through December 2010 accepted eight more Ticket assignments in the later period (Exhibit III.7). About half experienced no change; almost all in this group accepted no Tickets in either period (313 out of 324 with no change). Most or all of the 40 SVRAs that did not experience a change in the number of Ticket assignments are

those that were operating only under the traditional, cost-reimbursement payment system. Most ENs that accepted a different number of assignments in late 2010 than in late 2007 experienced only a small change, but a few increased or decreased their Ticket taking by a large margin. One EN accepted 1,436 more Tickets in 2010 than in 2007, and two others accepted more than 800 additional Tickets, while another accepted 221 fewer Tickets in 2010. Interestingly, although SVRAs likely have greater capacity to scale up their participation in TTW quickly, only one of these outliers was an SVRA accepting Tickets under the EN payment systems. This may be related to cuts in state funding that many SVRAs experienced, which would have made it more difficult to introduce new initiatives or provide additional services.

Exhibit III.6. Number of Registered ENs and ENs Accepting Tickets, 2005–2010



Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

Exhibit III.7. Change in New Ticket Assignments for ENs Between July–December 2007 and July–December 2010

Change in Number of Ticket Assignments	Number of ENs		
	All	SVRA	EN
Decline of 101 or more	1	1	0
Decline of 51 to 100	2	1	1
Decline of 11 to 50	16	4	12
Decline of 1 to 10	74	9	65
No change	324	40	284
Growth of 1 to 10	136	5	131
Growth of 11 to 50	36	3	33
Growth of 51 to 100	6	2	4
Growth of 101 or more	8	6	2

Source: EN Provider File, May 2011; Disability Control File, April 2011.

Note: Data are for ENs registered during both periods.

Similarly, most providers experienced little if any change in the total number of Ticket assignments between the month the revised regulations came into effect (July 2008) and December 2010 (Exhibit III.8). However, a handful of ENs experienced large increases in the total number of Ticket assignments. On average, providers had 28 more assignments in December 2010 than they had in July 2008. One SVRA experienced a decrease of 199 Ticket assignments, and two others had about 100 fewer Tickets in 2010 than in 2008. No ENs experienced a similar drop, probably because SVRAs have a process for unassigning Tickets when a client's case is closed, while ENs do not, so relatively few unassignments occur.

Exhibit III.8. Change in Total Ticket Assignments for ENs Between July 2008 and December 2010

Change in Number of Ticket Assignments	Number of ENs		
	All	SVRA	EN
Decline of 11 or more	4	4	0
Decline of 1 to 10	80	7	73
No change	268	40	228
Growth of 1 to 10	199	3	196
Growth of 11 to 50	119	5	114
Growth of 51 to 100	18	2	16
Growth of 101 to 200	10	1	9
Growth of 201 to 400	9	2	7
Growth of 401 to 1,000	8	6	2
Growth of 1,001 or more	3	1	2

Source: EN Provider File, May 2011; Disability Control File, April 2011.

Note: Data are for ENs registered during both periods.

Two-and-a-half times as many One-Stops were registered as ENs during the second half of 2010 than during the second half of 2007 but, despite earlier efforts to encourage their participation, the overall number was still fairly low in the context of the total number of One-Stops—1,802 comprehensive and 1,087 affiliate locations in October 2011 (U.S. Department of Labor 2011). However, some of the One-Stops that participate in TTW are administrative ENs that cover a county, region, or state. As a result, although only 94 One-Stops were registered as ENs at the end

of 2010 (Exhibit III.9), there were more than 94 One-Stop locations at which beneficiaries could participate in TTW. As described in Chapter II, starting in early 2011, SSA has worked to create systems and procedures to make operating as an EN more attractive to One-Stop providers, and it hopes that these will encourage more to enroll as ENs and accept Ticket assignments. These efforts seem to be working—between January and September 2011, 33 additional One-Stop providers enrolled as ENs, for a total of 127.²¹

Exhibit III.9. New Ticket Assignments to One-Stop Centers, July–December 2007 and July–December 2010

Number of New Ticket Assignments	Number of One-Stop ENs	
	July–December 2007	July–December 2010
0	25	48
1 to 10	11	32
11 to 20	0	8
More than 20	1	6
Total registered as EN	37	94

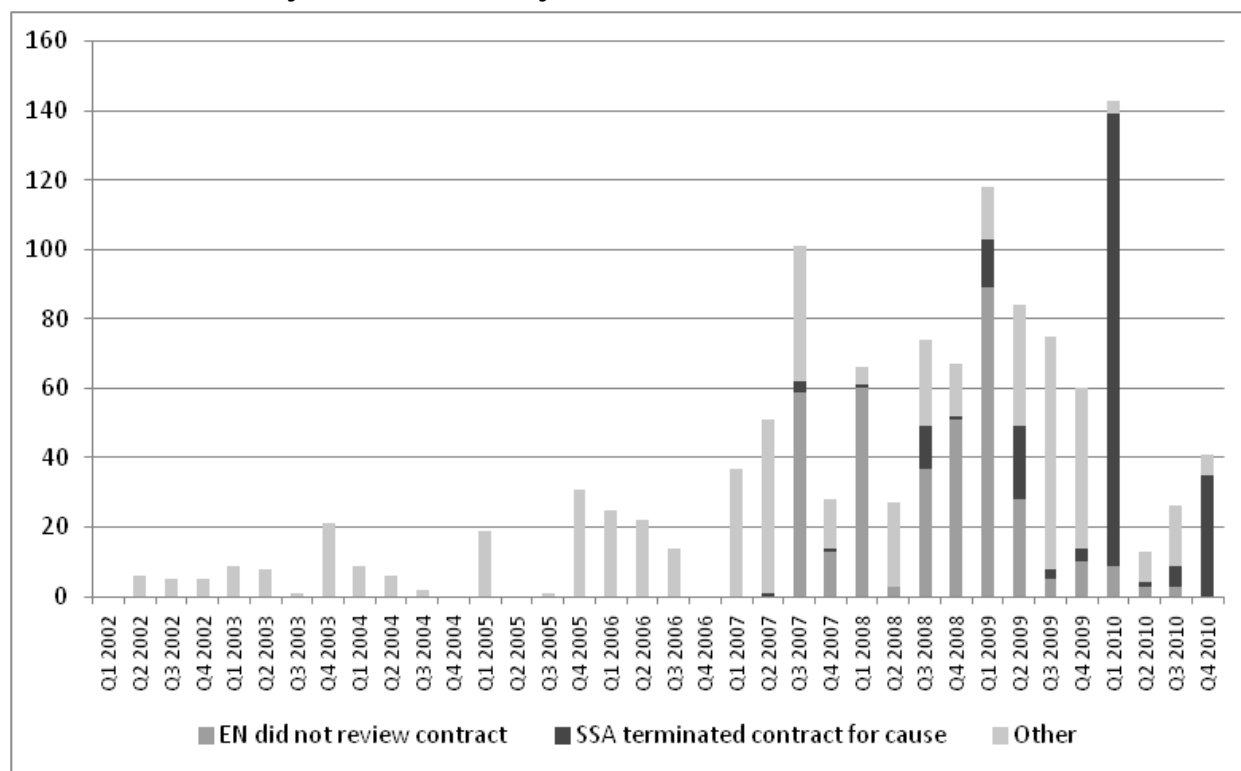
Source: EN Provider File, May 2011; Disability Control File April 2011.

As mentioned at the beginning of this section, in the early years of TTW it was rare for EN contracts to be terminated before their scheduled expiration, and a month in which the number of ENs decreased was rarer still. There was little incentive for ENs to actively terminate their contracts before their expiration, as they were not required to pay any fees, complete any paperwork, or provide any services to remain an EN, and SSA did not attempt to terminate inactive ENs. Nearly all of the very few terminations through the second quarter of 2007 occurred because the EN chose to end the contract.

Beginning in the third quarter of 2007, many of the contracts ENs had signed at the beginning of the program were up for renewal, and some ENs chose not to renew (Exhibit III.10). EN nonrenewals were also high in the first quarter of 2008, and from the third quarter of 2008 through the second quarter of 2009, as ENs that had signed up for TTW shortly after the rollout of the program in their states faced the same decision. Excluding the nonrenewals, the number of active contract terminations increased somewhat during this period, but much less dramatically than depicted in Exhibit III.10.

²¹ Data on these additional One-Stops participating in TTW do not appear in the table below, as information on Ticket assignments was not available through September 2011 as of the writing of this report.

Exhibit III.10. Quarterly EN Terminations by Reason, 2002–2010



Source: EN Provider File, May 2011.

In the first quarter of 2010, SSA terminated 130 EN contracts. Previously, only a handful of ENs had been terminated by SSA for cause. Around this time, SSA began a concerted effort to identify ENs that were not accepting Tickets and were not interested in doing so, and to remove them from the program.²² Since October 2010, the OSM has proactively contacted ENs on a regular basis to identify those that need support to become more active with the program, and those that are no longer interested in participating. ENs that are inactive and are determined to be unlikely to become so are recommended to SSA for contract termination. Though the OSM had previously engaged with idle ENs, the focus had been on how to get them more engaged, without the possibility of being recommended for termination; ENs that were interested in participating in the future were merely put “on hold.” Accordingly, the number of terminations for cause by SSA increased in the fourth quarter of 2010, though the total number of ENs did not decline. However, 202 EN contracts were terminated for various reasons in January through September 2011, and in fall 2011, SSA reported that 200 to 300 additional ENs that had not signed the new contract codicil were in line for termination. SSA representatives also reported that they were in the process of reviewing all EN business plans, and that those that did not seem credible or did not promote program goals would be terminated. ENs that do poorly in future performance reviews also may be

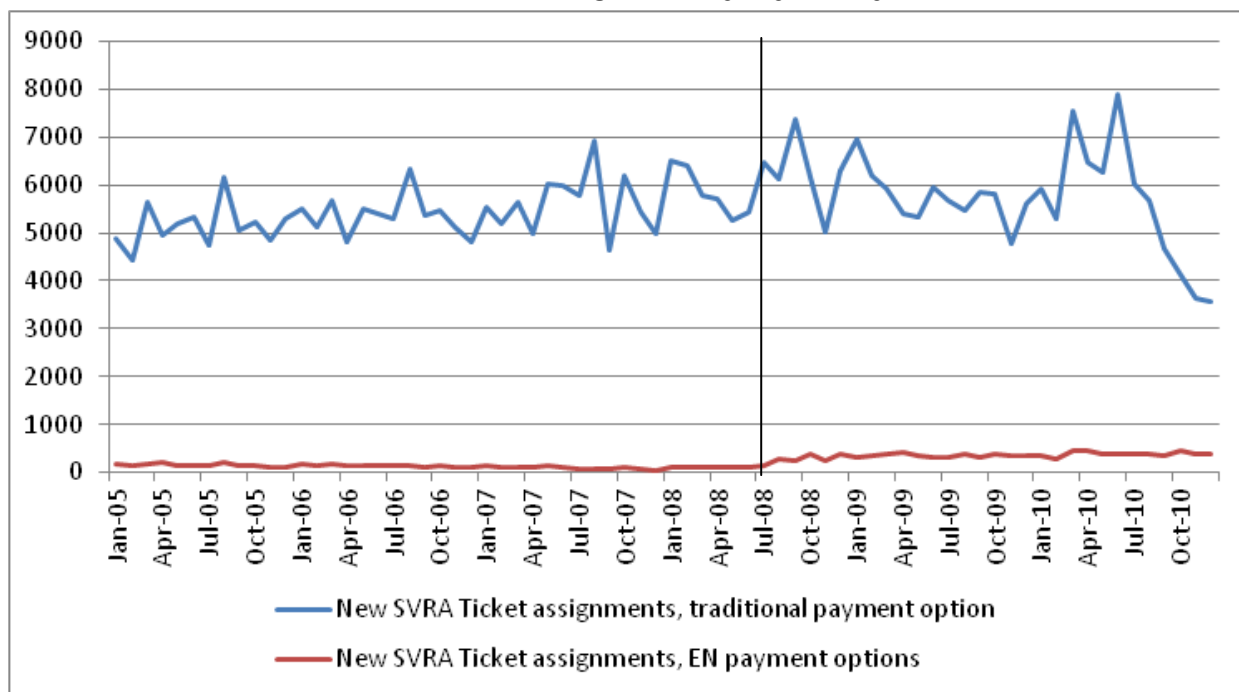
²² Previously, SSA placed ENs in “hold” status if they wished to continue working with beneficiaries who had deposited their Tickets but did not want to accept additional beneficiaries. SSA discontinued this practice in 2009.

subject to termination. As EN terminations have become more common, the trend in the number of registered ENs has become less smooth.

D. Changes in the Number of Ticket Holders Served by SVRAs

Although the number of SVRA clients served under an EN payment system has increased, the overwhelming majority of TTW participants continues to be served under cost-reimbursement. The proportion of new Ticket holders receiving services from an SVRA under an EN payment system increased from less than 2 percent to approximately 5 percent of new Ticket assignments to SVRAs in late 2008, following the revised regulations, and stayed fairly stable through the first half of 2010, at 5 to 7 percent (Exhibit III.11).

Exhibit III.11. Number of New SVRA Ticket Assignments by Payment System, 2005–2010



Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

The in-use Ticket status allows SVRAs to assign Tickets under the traditional payment option without submitting paperwork for each case. By mid-2010 most SVRAs participated in some form of in-use data transfer, allowing them to submit a list of clients and have their Tickets placed in-use. Although SVRAs are presumably collecting the information that would go into a Ticket assignment—work experience, skills, and goals—many continue to use the traditional payment system, perhaps for the cost-reimbursement feature, the ease of marking Tickets in-use and receiving payments for in-use Tickets, or the simplicity of maintaining existing practice.

It is likely that not all beneficiaries being served by SVRAs are identified as having their Tickets in-use in the DCF data. This is particularly likely among those that began receiving SVRA services during the early years of TTW. Initially SVRAs were required to complete paperwork for each individual Ticket assignment, including the beneficiary’s signature. With the introduction of the in-

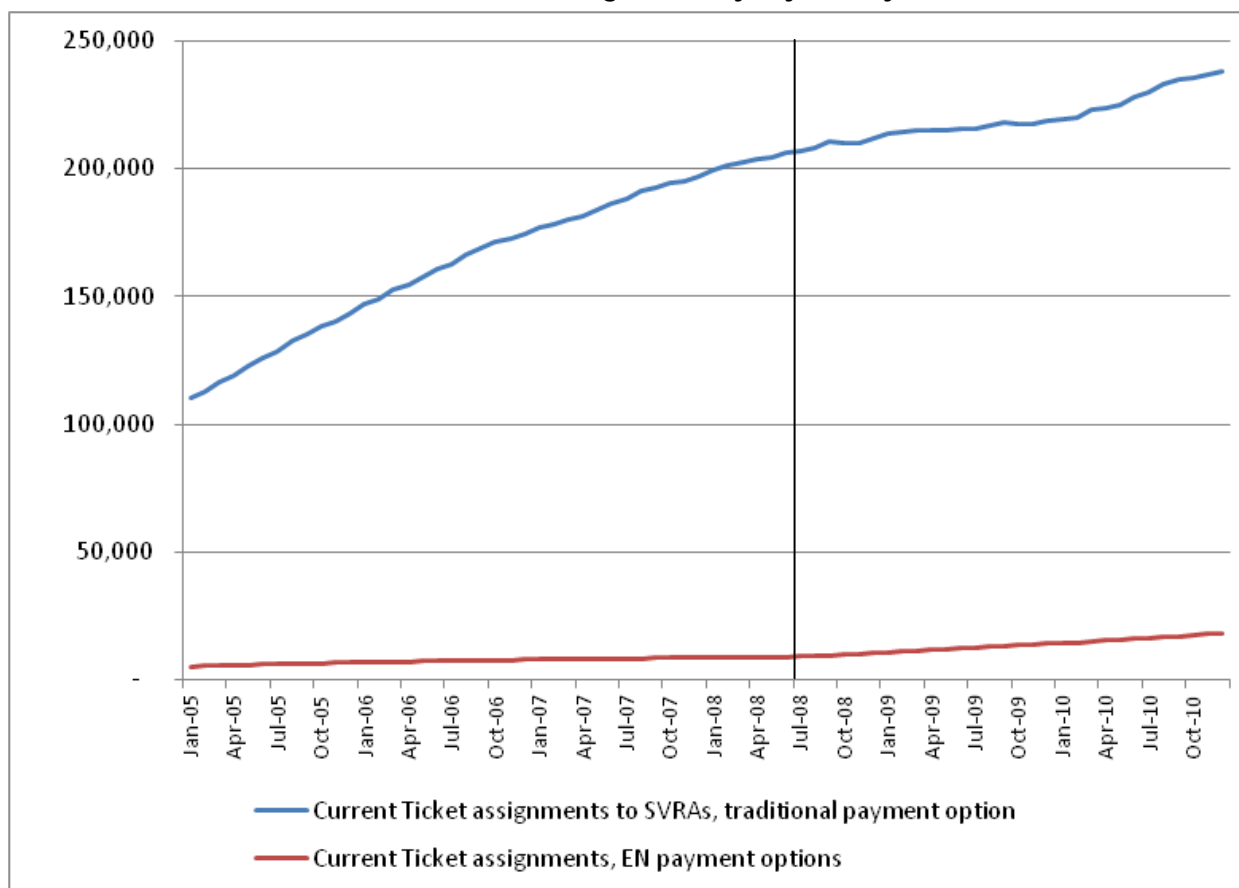
use Ticket status and data transfer system in 2008, SVRAs were able to send SSA a file with information on all of the clients they were serving, and the Tickets of those eligible for assignment would be placed in-use. SVRAs were encouraged to submit data on both new and old cases, and many Tickets were placed in-use retroactively. However, some SVRAs did not submit historical data, or did not submit complete data going back to the beginning of TTW. As a result, some Ticket holders who received SVRA services in the past are not identified as participating in TTW, though today they would be noted as having their Tickets in-use.

The number of new SVRA Ticket assignments under the traditional payment option continues to experience month-to-month variability, but for the most part the number of Tickets put in-use has remained between 5,000 and 7,000 per month for the entire period shown. New in-use statuses were generally higher in the first half of 2010 than in the past, reaching 7,549 in March and 7,883 in June.

The number of new SVRA in-use enrollments appears to fall sharply at the end of 2010. This is in part a consequence of lags still present in the in-use data transfer system. Although the OSM now processes SVRA in-use files on a weekly basis, many SVRAs do not submit files that frequently, and files often include cases that began in prior months. Data pulled in June 2010 for a previous report (Altshuler et al. 2011) showed new SVRA Ticket assignments falling through much of 2009, to about 4,000 a month in November and December of that year. Data pulled in March 2011 for this report suggest that the number of new SVRA Ticket assignments appears to have decreased during 2009, but at a much slower rate, finishing the year at about 5,000 a month in November and December, well within the range of previous fluctuations. As noted earlier in this chapter, Ticket assignments also appear to experience a seasonal dip in December

After slowing in 2009, the total number of Tickets in-use with SVRAs accelerated again in the first part of 2010, before slowing at the end of the year (Exhibit III.12). As of December 2010, there were 237,933 Tickets designated as in-use with an SVRA, and 18,124 Tickets assigned to SVRAs under an EN payment option. Because Tickets are unassigned relatively rarely, these trends reflect changes in the number of new in-use Tickets and new Ticket assignments.

Exhibit III.12. Total Number of SVRA Ticket Assignments by Payment System, 2005–2010



Source: Disability Control File, April 2011.

Note: The vertical line represents the month in which the revised TTW regulations became effective (July 2008).

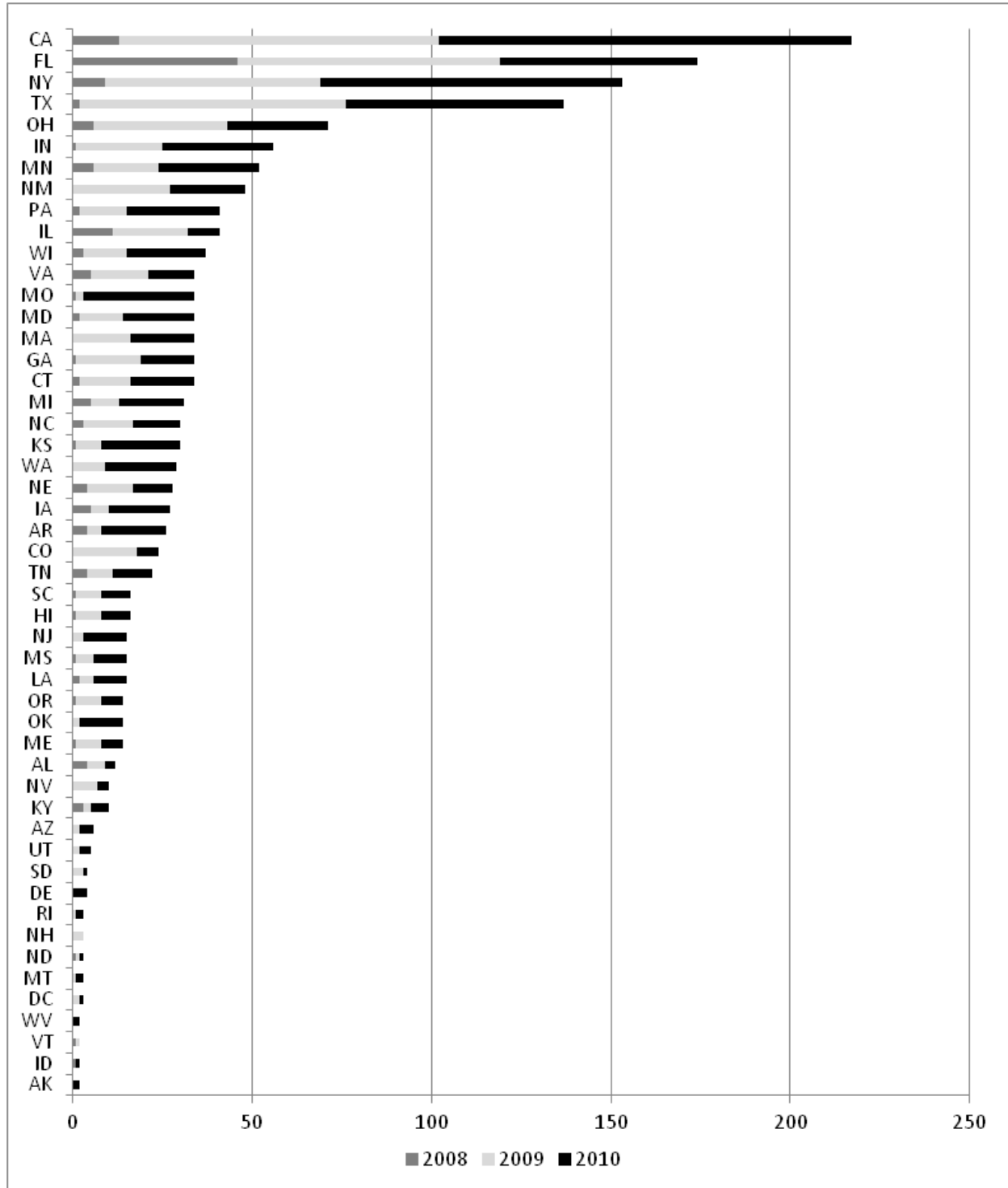
E. Participation in Partnership Plus

As discussed in Chapter II, Partnership Plus allows Ticket holders to receive services first from an SVRA and then from an EN, and for both providers to receive payments if beneficiaries reach earnings milestones. The goal is to allow beneficiaries to receive both intensive up-front services that might not be available from an EN if acting independently, and follow-along support that an SVRA might be unable to provide. Follow-along services provided by the EN may increase the chance that SVRA clients will reach nine months of earnings at the SGA level, allowing the SVRA to apply for payment. In a previous report we found that although Partnership Plus had the potential to help service providers better serve ENs, very few Tickets had been assigned first to an SVRA and then to an EN (Altshuler et al. 2011).

Although the number of Partnership Plus cases continues to grow, the initiative remains small. By December 2010, 1,671 beneficiaries in 49 states and the District of Columbia had been served first by an SVRA under the traditional payment option, and then by an EN (Exhibit III.13). While this is double the number of Partnership Plus cases in December 2009, it represents just 0.6 percent of all Ticket assignments. The states with the largest number of Partnership Plus cases are those with large beneficiary populations; California, Florida, New York, and Texas have the four largest

beneficiary populations, as well as the largest numbers of Partnership Plus cases. Partnership Plus cases represented 0.86 percent of Ticket assignments in California, and represent similar shares of assignments in New York and Texas.

Exhibit III.13. Annual Partnership Plus Cases by State, 2008–2010



Source: Disability Control File, April 2011.

At 3.5 percent, New Mexico had the highest percentage of Ticket assignments that were Partnership Plus cases. In Connecticut, Florida, Nebraska, Hawaii, Iowa, and Mississippi, Partnership Plus cases make up between 1 and 2 percent of Ticket assignments. However, with the exception of Florida, these states have fairly small numbers of Ticket assignments, and many have small beneficiary populations.

During interviews conducted in early 2010, representatives of some SVRAs reported that they had implemented Partnership Plus by changing the procedures used by counselors when closing cases, or by cultivating active relationships with ENs that are contractors to the SVRA (Altshuler et al. 2011). In these states, and others that use similar models, SVRA clients could be told by their counselors about the continuing support they could receive if they assigned their Ticket to an EN, or they could be approached by an EN that has been providing them with services as a VR contractor. Some SVRAs reported that they offered incentive payments to ENs for clients who received sequential services and then reached nine months of SGA-level earnings. Other SVRAs actively encourage their contractors to register as ENs so that they could participate in Partnership Plus. However, in other cases there may be less “partnership” between SVRAs and ENs. Some beneficiaries seek out ENs to provide ongoing supports that they need but cannot receive through their SVRA. Others simply reassign their Tickets to pursue a different job, or to receive shared milestone or outcome payments through the EN. The data do not distinguish between orchestrated partnerships between SVRAs and ENs and other cases in which beneficiaries receive services from one and then the other, so it is difficult to tell how prevalent different forms of sequential services are.

F. Summary of Findings

Since the revised regulations became effective in July 2008, the number of beneficiaries served under the milestone-outcome payment system has increased markedly, and the proportion of ENs that are actively taking Tickets has nearly doubled, from 28 percent in July 2008 to 52 percent in December 2010. However, beneficiary participation rates in TTW have increased only slightly since the introduction of the revised regulations, and Partnership Plus cases make up a tiny proportion of all Ticket assignments. The increase in milestone-outcome assignments, particularly at a time when assignments to the other payment systems were stagnant, suggests that SSA was successful in making milestone-outcome more enticing to both ENs and SVRAs. The month-on-month increase in milestone-outcome assignments in 2010 may mean that ENs continued to become increasingly interested in, or capable of, taking on more assignments, or that beneficiaries continued to become more interested in participating in TTW. The increase in the proportion of ENs that are actively taking Tickets is, in part, the effect of some ENs leaving or being removed from the program, following SSA implementation of stricter requirements for ENs. It also reflects a growing number of ENs that are actively participating, likely both as new ENs enroll in TTW and as existing ENs become more involved.

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IV. CONCLUSIONS

TTW was established with the goal of increasing the options open to SSI and DI beneficiaries who might be interested in pursuing work. It was hoped that more beneficiaries would enroll in employment services, that services would better meet their needs, and that as a result more would successfully find employment and eventually leave the benefit rolls. SSA implemented the program successfully, but the numbers of EN providers and beneficiaries who enrolled were relatively small. Most beneficiaries who participated assigned their Tickets to a SVRA and continued to work with the SVRA as they had before TTW was established. Some aspects of the program were burdensome, and payments to ENs generally did not cover their costs (Stapleton et al. 2008; Thornton et al. 2007). Recognizing these and other hurdles in the program, SSA made substantial changes in July 2008. Since the revised regulations came into effect, SSA has continued to make changes to program rules and processes. In this report we have described the changes made to TTW since spring 2010 and the trends in provider and beneficiary participation through December 2010. Below, we summarize our conclusions.

SSA has continued to make changes to regulations, processes, and strategy in order to address challenges of TTW, and has been successful in implementing these changes. SSA has continued to identify the aspects of the program that make it challenging for beneficiaries and service providers to participate, and to make changes to address them. Universal Auto-Pay, a planned EN internet portal, and improvements to the SVRA data transfer system address frustrations with the process of assigning Tickets and requesting payments. The OSM's new system of EN representatives is aimed at improving communication between ENs, SSA, and its contractors. The replacement of Ticket mailings by targeted calls and regular reminders about the program is focused on improving the information beneficiaries receive about TTW, as are changes to the call center and WISE initiative.

SSA has made several additional changes intended to increase the accountability of ENs and beneficiaries, including the new EN contract and the reintroduction of timely progress reviews. These are intended to hold program participants accountable for making a real effort to achieve meaningful employment outcomes. These changes address the concern that some ENs might have collected payments without providing meaningful services, or might have counseled beneficiaries to suppress earnings to maintain their benefits. The changes also address the concern that some beneficiaries might have assigned their Ticket in order to become exempt from medical CDRs while not pursuing work. SSA representatives describe the changes to the program as a two-way street—they make the program easier for ENs to navigate, and in return enable SSA to confirm that ENs are providing meaningful services.

The number of beneficiaries who assigned a Ticket to an EN has continued to grow but, as of December 2010, represented only 6.25 percent of work-oriented beneficiaries and only 2.5 percent of all beneficiaries. Immediately after the revised regulations went into effect in 2008, the number of new assignments to SVRAs under the EN payment system tripled, and it remained at a similar level through 2010. New assignments to ENs doubled in the year leading up to the revised regulations, and doubled again when the regulations went into effect. In 2010, new assignments to ENs increased again, reaching nearly 1,800 in the month of November, up from an average of 800 per month during the period directly following implementation of the revised regulations. The overall participation rate has increased slightly since July 2008. In December 2010, about 2.5 percent of all TTW-eligible beneficiaries and about 6.25 percent of all work-oriented beneficiaries had a Ticket assigned. Although this appears to be a small percentage among those

interested in work, of the 40 percent of beneficiaries who are interested in working, only about half are employed or actively seeking employment and some likely do not require employment services, or may receive them from another source (Livermore et al. 2009c).

The number of ENs has essentially stopped growing, as SSA has focused on limiting the pool of ENs to those that have the potential to be actively involved in the program and to promote its goals. As a result, the proportion of ENs accepting Tickets has increased, and the organizations that continue to participate as ENs are likely to be stronger providers. In the early years of TTW, SSA encouraged any organization with minimal qualifications and interest in the program to become an EN. SSA is now focusing on organizations that have the potential to be strong partners. Since January 2011, SSA and the OSM have regularly contacted ENs, and pursued the termination of the contracts of those that were not active, and did not plan to be. Under the revised EN contract, only ENs that have the fundamentals SSA requires, along with service models and delivery that further program goals, will be allowed to participate. Outreach has been retargeted at vendors to SVRAs that could easily participate in Partnership Plus, and at state workforce systems, which already provide employment services to a wide audience, including those with disabilities. Although changes in Partnership Plus and workforce system participation were small through 2010, by December, 52 percent of ENs had accepted a Ticket during the previous year, compared with 24 percent in July 2008. SSA expects that these changes will continue to increase the proportion of ENs that are actively taking Tickets and providing services, and ultimately the number of beneficiaries who receive high-quality employment services from an EN.

We believe that the economy continues to impede participation in TTW by both beneficiaries and providers. In our previous report, we found that most ENs saw the poor economy as a damper on beneficiaries' interest in employment and ability to find a job, as well as ENs' ability to provide services for which they receive payment at a later date, and only if their clients are successful. Since those interviews, the employment picture has remained bleak, and appears to have gotten worse for those with disabilities. The unemployment rate for people with disabilities remains higher than that of people without (16.1 percent in comparison to 9.0 percent in September 2011), and the employment rate of people ages 16 to 64 with disabilities has fallen from 32 percent in July 2008 to 27 percent in September 2011 (Bureau of Labor Statistics 2011).²³ Survey data indicate that annual employment rates of Social Security disability beneficiaries have also declined from earlier years: 12.9 percent of beneficiaries were employed at some point during 2005, compared with 9.9 percent in 2009 (Livermore et al. 2009c; Wright et al. 2012). In a more favorable economic climate, we would expect higher TTW participation and likely more impressive employment outcomes as well.

Recent and planned changes have the potential to further enhance the program, but significant challenges remain. Although it is impossible to know at this point how successful the recent and planned changes will be, they have the potential to change the landscape for ENs,

²³ Data are from the Current Population Survey. The Bureau of Labor Statistics (2011) considers someone to have a disability if they report at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone such as visiting a doctor's office or shopping because of a physical, mental, or emotional condition.

replacing organizations that are unable or unwilling to take large numbers of Tickets with those that are better placed to provide services and administer the program. The targeted calls and regular reminders that replaced Ticket mailings may focus outreach on those most likely to participate and become employed, while ensuring that any beneficiary who becomes able to work and interested in employment after being on the rolls for a period of time knows about TTW. If providers engaged in Partnership Plus are able to provide better follow-along services; workforce systems are able to provide employment services through TTW throughout the nation; participation is easier for ENs and SVRAs; providers serve beneficiaries at a uniformly high level of quality and beneficiaries are more interested in pursuing work and self-sufficiency—we might see the number of active ENs and Tickets assigned increase significantly in the near future. However, despite the recent and continuing changes from SSA, these accomplishments are not a certainty, and many other obstacles impede the ability of people with disabilities to find meaningful employment and achieve self-sufficiency.

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