

# Ticket to Work Program

Presentation to the State Rehabilitation Council Performance Review  
Committee October 10, 2018

# What Will Be Covered

- ▶ What are the SSDI and SSI programs? Who receives these benefits?
- ▶ What was Congress's intent behind the Ticket to Work?
- ▶ What are the basic work rules for SSI & SSDI beneficiaries?
- ▶ What are the basic rules of the Ticket?
- ▶ How many Vermonters are participating in the Ticket?
- ▶ How much revenue has VR generated from Ticket?
- ▶ What does Ticket data tell us about consumer outcomes?



This is a very technical topic.....so hang in there! I'll do my best to make it interesting.

# What are the SSDI and SSI programs?

- ▶ Social Security Disability Insurance (SSDI) is a disability insurance program:
  - ▶ You must be too severely disabled to work at a “Substantial” level
  - ▶ Must have worked a minimum number of quarters to be eligible for the program. Benefit amount depends on amount Social Security taxes paid in (average is \$1,197)
  - ▶ SSDI is not means tested. You can be a billionaire and receive SSDI
  - ▶ SSDI beneficiaries receive Medicare after a two-year waiting period
- ▶ Supplemental Security Income (SSI) is a basic support program
  - ▶ You must be too severely disabled to work at a “Substantial” level
  - ▶ SSI is based on financial need. Max federal cash benefit is \$750
  - ▶ SSI beneficiaries receive Medicaid

# Who receives these benefits?

- ▶ About 34,000 Vermonters receive SSDI or SSI benefits (or both)
- ▶ Both SSDI and SSI beneficiaries tend to be more severely disabled than non-beneficiaries served by VR
- ▶ This is because both SSI and SSDI has a very high threshold for medical eligibility
- ▶ SSDI beneficiaries tend to be older and have work histories. SSDI is often viewed as an early retirement program for individuals with chronic medical conditions
- ▶ SSI beneficiaries tend to be younger with limited or no work history
- ▶ SSDI beneficiaries are often very sick. 25% pass away within two years of being found eligible

# What was Congress's intent behind the Ticket to Work?

- ▶ The SSDI Trust Fund was at risk of running out of money (like the Social Security Retirement Trust Fund)
- ▶ Very few SSDI beneficiaries leave the program to go back to work (about 0.5% per year)
- ▶ Congress wanted employment providers to help more beneficiaries go to work
- ▶ Ticket was intended to be a competitive free market approach
- ▶ Providers would compete for beneficiaries business
- ▶ Unfortunately Congress did not address some basic work disincentives built into the SSDI program

# What are the basic work rules for SSI & SSDI beneficiaries?

## ▶ Basic concepts:

- ▶ Substantial Gainful Activity (SGA): The SSA earnings threshold to determine eligibility. Generally, SSA will not determine you eligible for SSDI or SSI if you have worked at or above SGA in the year prior to application
- ▶ Working above SGA is considered evidence that you may no longer be eligible for SSDI benefits after you have been determined eligible
- ▶ The SGA threshold is \$1,180 for 2018

# What are the basic work rules for SSI & SSDI beneficiaries?

## ▶ SSDI

- ▶ Beneficiaries get a nine month Trial Work Period when the beneficiary can earn any amount. A beneficiary has to earn \$850 or more to “use up” a Trial Work Month
- ▶ Once the 9 month Trial Work Period is exhausted, beneficiaries receive a 36 month extended period of eligibility. During this period earnings above SGA (\$1,180 per month) will result in a suspension of the SSDI benefit for each month of SGA
- ▶ Once the extended period of eligibility is exhausted, any earnings above SGA will result in termination of eligibility
- ▶ *The all or nothing nature of SSDI work incentives has been described as the cash cliff*



# What are the basic work rules for SSI & SSDI beneficiaries?

## ▶ SSI

- ▶ Beneficiaries receive a \$65 earned income disregard
- ▶ Earnings above \$65 result in a \$1 for \$2 reduction in cash benefits
- ▶ If the beneficiary zeros out their cash benefit they can retain eligibility for the program and Medicaid as long as earnings do not exceed \$41,367
- ▶ *It is important to note about 20% of beneficiaries receive both SSI and SSDI so they have to deal with both sets of work rules*

Caution: That was a very simplified summary. It is not the whole story!



# What are the basic rules of the Ticket?

- ▶ All working age SSDI and SSI beneficiaries have a virtual “Ticket to Work”
- ▶ The Ticket has no cash value. It is not a voucher for services.
- ▶ They can take their Ticket to any participating “Employment Network” provider
- ▶ Employment Networks can be:
  - ▶ Government agencies like VR or DOL
  - ▶ Private non-profits like Howard Center or Goodwill
  - ▶ For profit providers like AmericaWorks
  - ▶ Employers

# What are the basic rules of the Ticket?

- ▶ SSA pays providers like VR for helping consumers work at levels that will:
  - ▶ Use up Trial Work Periods
  - ▶ Help SSDI beneficiaries earn above SGA
  - ▶ Help SSI beneficiaries zero out cash benefits
- ▶ Payment is 100% outcome based and broken into Phases:
  - ▶ Phase One: For earnings at a Trial Work Level
  - ▶ Phase Two: For earnings at SGA
  - ▶ Outcome Phase: When beneficiaries no longer receive a benefit because of earnings

# Outcome-Milestone Phase 1

<b>Earnings Milestones</b>	<b>Payment SSI</b>	<b>Payment SSDI</b>
\$850 for one month	\$1,409	\$1,409
\$850 for three months	\$1,409	\$1,409
\$850 for six months	\$1,409	\$1,409
\$850 for nine months	\$1,409	\$1,409
<b>Total Phase 1 Milestones</b>	<b>\$5,636</b>	<b>\$5,636</b>

## Outcome-Milestone Phase 2

- ▶ Gross earnings above SGA \$1,180 per month
- ▶ SSDI Milestone Payment:  
\$423 per month for 11 months
- ▶ SSI Milestone Payment:  
\$242 per month for 18 months
- ▶ Total Phase Two Milestones  
**SSDI \$4,653**
- ▶ **SSI \$4,356**

## Outcome-Milestone Phase 3

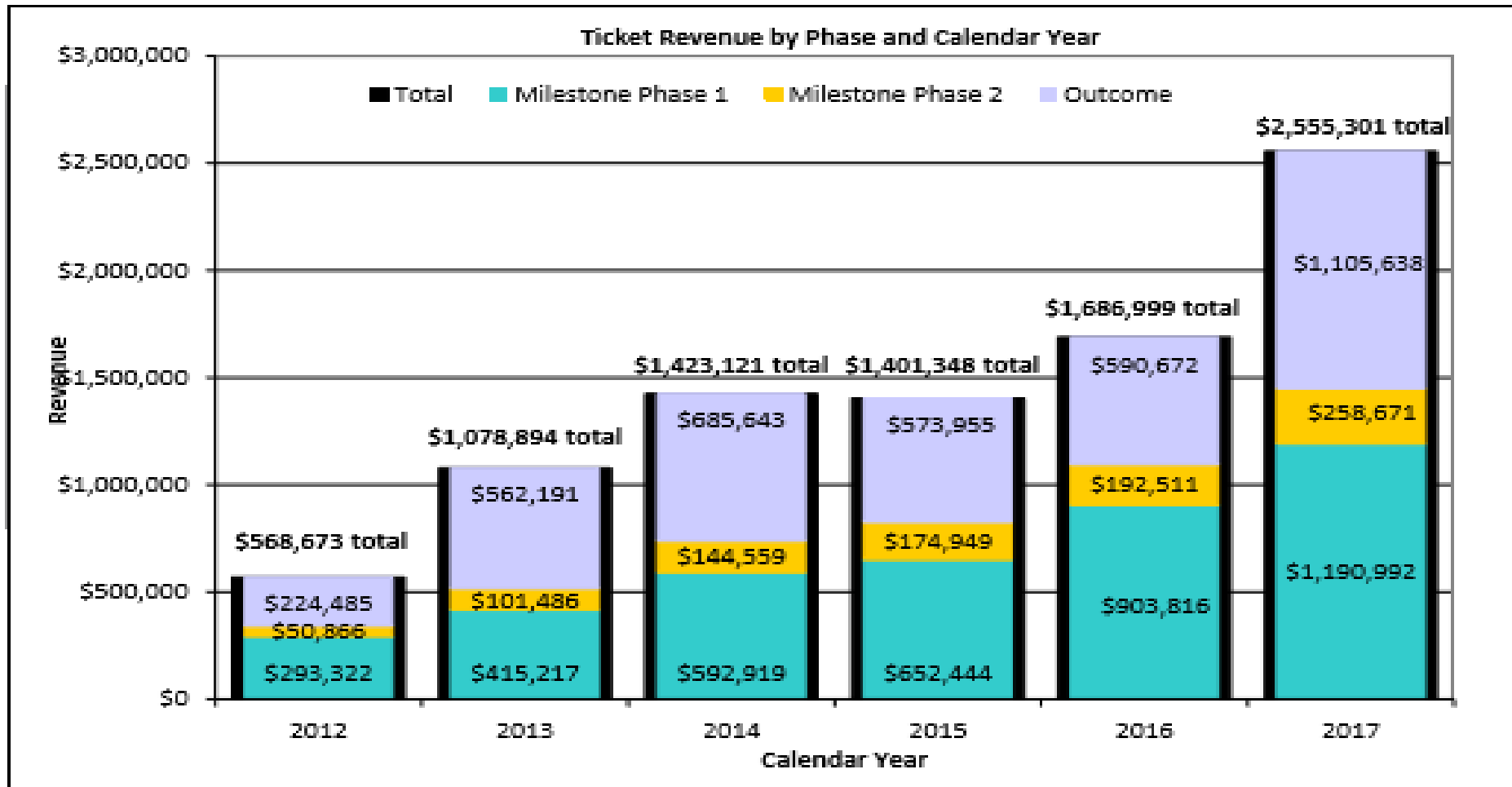
- ▶ Earnings above \$940 per month and SSI/SSDI benefit must be at zero
- ▶ SSDI Milestone Payment:  
\$423 per month for 36 months (Total \$15,228)
- ▶ SSI Milestone Payment:  
\$242 per month for 60 months (Total \$14,520)
- ▶ **Total SSDI Ticket Payments Available: \$25,517**
- ▶ **Total SSI Ticket Payments Available: \$24,512**

# How many Vermonters are participating in the Ticket?

- ▶ As of August 2018
  - ▶ In Vermont there are 33,073 Ticket holders
  - ▶ 4,049 (12.2%) have assigned their Ticket to DVR
  - ▶ 61 have assigned their Tickets to other ENs
  - ▶ Nationally only 2.5% of beneficiaries have assigned their Tickets



# How much revenue has VR generated from Ticket?



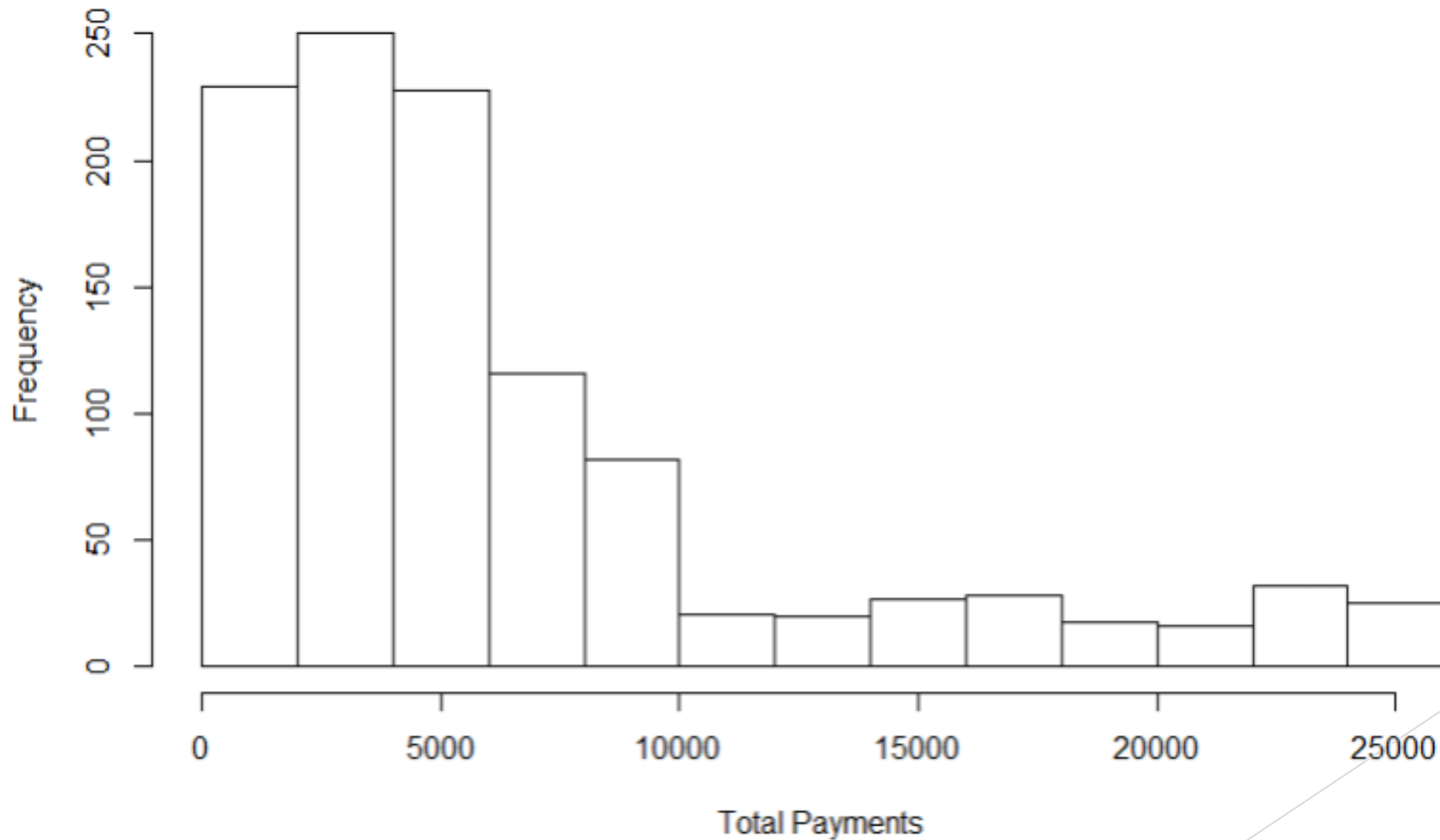
# How much revenue has VR generated from Ticket?

- ▶ Vermont DVR probably has been the most successful Employment Network in the USA. Ticket revenue for calendar year 2017 exceeded \$2.5 million which equals about 17% of the overall VR 110 budget
- ▶ Ticket revenue has greatly lessened the impact of the \$5 million reduction in federal funds because of the loss of re-allotment

# What does Ticket data tell us about consumer outcomes?

- ▶ DVR looked back at beneficiaries who assigned their Tickets between 2008 and 2014. We found:
  - ▶ 40.23% achieved earnings to generate at least Phase One milestones. *This means four out of ten consumers work at a Trial Work Level*
  - ▶ The median Ticket payment per beneficiary was \$4,444: *This means most beneficiaries who do work, work at a Trial Work Level for at least 6 months*
  - ▶ The mean Ticket payment beneficiary is \$6,500
  - ▶ 574 individuals had their benefits terminated for at least one month because of work, or about 15% of beneficiaries who assigned a Ticket

The spread of payments shows many consumers sustaining work



# Summary

- ▶ SSDI and SSI beneficiaries are generally the most significantly disabled people VR serves
- ▶ Despite the challenges, many want to work and have assigned their Ticket to VR ....over 12% of the eligible population
- ▶ Despite the beneficiaries level of disability and the work disincentives built into the SSDI program....4 out of 10 work at least to a Trial Work Level
- ▶ About 15% work to a level that they zero out their benefits