



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

The Social Security Administration's  
Programs and Projects that Assist  
Beneficiaries in Returning to Work

*A-04-18-50600 | November 2018*

**MEMORANDUM**

**Date:** November 5, 2018

**Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** The Social Security Administration's Programs and Projects that Assist Beneficiaries in Returning to Work (A-04-18-50600)

The attached final report presents the results of the Office of Audit's review. The objectives were to evaluate the Ticket to Work and Self-Sufficiency and Plan to Achieve Self-Support programs and Benefit Offset National Demonstration project. We determined the (1) costs versus savings and (2) number of beneficiaries who have used these incentives.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

  
Gale Stallworth Stone

Attachment

# The Social Security Administration's Programs and Projects that Assist Beneficiaries in Returning to Work

## A-04-18-50600



November 2018

Office of Audit Report Summary

### Objectives

To evaluate the Ticket to Work and Self-Sufficiency (TTW) and Plan to Achieve Self-Support (PASS) programs and Benefit Offset National Demonstration (BOND) project. We determined the (1) costs versus savings and (2) number of beneficiaries who have used these incentives.

### Background

Under the *Ticket to Work and Work Incentives Improvement Act of 1999*, Congress requires that the Social Security Administration (SSA) test alternative work rules designed to give Disability Insurance and Supplemental Security Income (SSI) beneficiaries an incentive to work and reduce the reliance on SSA benefits. As mandated, SSA implemented the TTW program and performed various demonstration projects, including BOND. Congress also established the PASS program in 1972, as part of the original SSI program, to give disabled individuals the assistance they need to return to substantial gainful activity.

We acknowledge SSA's opposition with the approach of our review. SSA did not agree with our discussing the time-limited BOND project along with return-to-work programs. However, we believe it is important to include the BOND project since it tests alternative work incentives.

### Findings

SSA has spent about \$3 billion administering two ongoing congressionally mandated return-to-work programs and a time-limited demonstration project designed to determine whether a policy change would help beneficiaries return to work. However, these programs and demonstration project enticed a small percentage of disabled individuals to return to work.

Since the TTW program's inception in 2000, SSA has incurred costs over \$2.8 billion to operate the program. SSA estimated that, as of Fiscal Year (FY) 2016, the TTW program had saved the Agency approximately \$5.9 billion and achieved a 2.6-percent participation rate. For each of the almost 1.2 million beneficiaries SSA served, TTW cost about \$2,300, while benefits forgone was about \$5,000.

For PASS, SSA could not provide costs incurred, savings, or return-to-work participant outcomes, even though SSA implemented the program in 1972. SSA told us it completed a longitudinal study at the end of FY 2018. However, as of October 18, 2018, SSA's draft report was under internal review.

SSA could not provide savings for the BOND project. Since the BOND project's inception in 2010, it has cost SSA \$115.6 million with only 4,700 (5.5 percent) of the 85,140 project's offset-eligible participants voluntarily returning to work and receiving the offset for 1 or more months. This is a cost of about \$24,600 per BOND offset participant as of November 2017. In September 2018, SSA conducted a formal evaluation including an impact, process, and cost-benefit analysis on BOND. However, SSA did not expect to issue its results until November 2018.

### Recommendations

1. Evaluate the viability and cost-effectiveness of the return-to-work programs and advise Congress whether the results warrant continued expenditures.
2. Continue advising Congress on the progress of BOND and, with future demonstration projects, advise Congress when early results indicate a project is not effectively working as designed.

SSA agreed with Recommendation 1 but disagreed with Recommendation 2.

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## ABBREVIATIONS

BOND	Benefit Offset National Demonstration
CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
CY	Calendar Year
DI	Disability Insurance
EN	Employment Network
EWIC	Enhanced Work Incentives Counseling
Fed. Reg.	Federal Register
FY	Fiscal Year
OIG	Office of the Inspector General
PASS	Plan to Achieve Self-Support
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income
SVRA	State Vocational Rehabilitation Agency
TTW	Ticket to Work and Self-Sufficiency
U.S.C.	United States Code
VREN	Vocational Rehabilitation Employment Network
WIC	Work Incentives Counseling

## OBJECTIVES

Our objectives were to evaluate the Ticket to Work and Self-Sufficiency (TTW) and Plan to Achieve Self-Support (PASS) programs and Benefit Offset National Demonstration (BOND) project. We determined the (1) costs versus savings and (2) number of beneficiaries who have used these incentives.

## BACKGROUND

Under the *Ticket to Work and Work Incentives Improvement Act of 1999*,<sup>1</sup> Congress directed the Social Security Administration (SSA) to establish a TTW program, which would provide Disability Insurance (DI) and Supplemental Security Income (SSI) disabled beneficiaries<sup>2</sup> with a Ticket they may use to obtain vocational rehabilitation, employment, and other support services from an employment network (EN) of their choice. The *Ticket to Work and Work Incentives Improvement Act of 1999* also requires that the Agency implement programs and conduct demonstration projects that would test alternative work rules designed to give DI and SSI beneficiaries an incentive to work and reduce their reliance on SSA benefits.<sup>3</sup> As mandated, SSA implemented the TTW<sup>4</sup> program and performed various demonstration projects, including BOND,<sup>5</sup> which tested the effects of a benefit offset. Congress established PASS as part of the original SSI program in 1972<sup>6</sup> to help disabled individuals with the assistance needed to return to substantial gainful activity (SGA).<sup>7</sup> Additionally, the *Bipartisan Budget Act of 2015*<sup>8</sup> mandated that SSA conduct a new demonstration project, the Promoting Opportunity Demonstration.<sup>9</sup>

Under the TTW program, SSA provides beneficiaries with a Ticket they can present to qualified organizations to obtain vocational rehabilitation or employment services.<sup>10</sup> An eligible beneficiary, called a Ticket Holder, is age 18 through 64 and receives DI and/or SSI payments based on a medically determined physical or mental impairment that prevents him/her from

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<sup>1</sup> *Social Security Act*, 42 U.S.C. § 1320b-19 (govinfo.gov 2016).

<sup>2</sup> We use the term “beneficiary” generically in this report to refer to both DI beneficiaries and SSI recipients.

<sup>3</sup> *Social Security Act*, 42 U.S.C. § 434 (govinfo.gov 2016).

<sup>4</sup> See Footnote 1.

<sup>5</sup> See Footnote 3.

<sup>6</sup> *Social Security Act*, Pub. L. No. 92-603, § 1612b(4)(A), (B), pp. 1469-70 (1972).

<sup>7</sup> SSA, *POMS*, SI 00870.001, A (January 16, 2018) and DI 10501.001 (January 5, 2007).

<sup>8</sup> *Bipartisan Budget Act of 2015*, Pub. L. No. 114-74, § 821, p. 605 (2015).

<sup>9</sup> *Social Security Act*, 42 U.S.C. § 434(f) (govinfo.gov 2016).

<sup>10</sup> SSA, *POMS*, DI 55001.001 (October 29, 2002).

engaging in any SGA.<sup>11</sup> Participation in the program is voluntary.<sup>12</sup> The beneficiary can choose if, when, and where to use the Ticket with any approved EN or State Vocational Rehabilitation agency (SVRA).<sup>13</sup> While a beneficiary is using a Ticket, SSA may not conduct a medical continuing disability review (CDR)<sup>14</sup> to determine whether the beneficiary's condition has improved.<sup>15</sup> For further information regarding the TTW program, see Appendix A.

The *Social Security Act* allows disabled individuals in the PASS program to set aside income and resources to pay for items or services (such as tuition, business equipment, and transportation) to achieve a work goal.<sup>16</sup> SSI recipients must show how achieving their work goal will generate enough earnings to substantially reduce their dependence on SSI.<sup>17</sup> Work goals for DI beneficiaries must include projected earnings high enough to eliminate their need for DI benefits.<sup>18</sup> The PASS ends when the participant reaches the work goal; completes the time schedule outlined in the plan; or abandons, or does not comply with, the terms of the plan.<sup>19</sup> For further information regarding the PASS program, see Appendix B.

For the BOND project, SSA implemented a benefit-offset rule that tested a \$1 reduction in benefits for every \$2 participants earned over the SGA<sup>20</sup> level for a 5-year period, in combination with work incentives counseling.<sup>21</sup> The project's purpose was to inform policymakers about the potential effect of a gradual reduction of benefits that could increase the number of beneficiaries returning to work.<sup>22</sup> SSA randomly assigned 981,667 beneficiaries to the 2 stages of the BOND

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<sup>11</sup> SSA, *POMS*, DI 55025.001, B.1 (May 28, 2014). The physical or mental condition must be expected to result in death or last for a continuous period of not less than 12 months. *Social Security Act*, 42 U.S.C. § 1382c-(a)3A (govinfo.gov 2016).

<sup>12</sup> SSA, *POMS*, DI 55001.001, B.1 (October 29, 2002).

<sup>13</sup> SSA, *Ticket Program Basics*, ssa.gov (last visited July 21, 2018).

<sup>14</sup> SSA, *POMS*, DI 55001.001, B.4 (October 29, 2002). SSA, *POMS*, DI 55025.001, A (May 28, 2014).

<sup>15</sup> SSA must periodically review the claims of individuals who are disabled and entitled to benefits to determine whether the individual remains disabled. This process is called a CDR. SSA, *POMS*, DI 13001.001 (December 2, 2014).

<sup>16</sup> *Social Security Act*, 42 U.S.C. § 1382a-(b)4(A), (B) (govinfo.gov 2016); SSA, *POMS*, SI 00870.001 (January 16, 2018); SSA, *POMS*, SI 00870.025, B.5.g (October 6, 2017).

<sup>17</sup> 20 C.F.R. § 416.1226 (govinfo.gov 2018).

<sup>18</sup> See Footnote 17.

<sup>19</sup> 20 C.F.R. § 416.1182 (govinfo.gov 2018).

<sup>20</sup> A specific level of work activity and earnings. SSA considers work substantial "if it involves engaging in significant physical or mental activities, or a combination of both." SSA, *POMS*, DI 25501.390, A.1-A.2 (January 17, 2017).

<sup>21</sup> See SSA, *POMS*, DI 60099.005 (September 29, 2017). See also SSA, *POMS*, DI 60099.035, A.1 (September 29, 2017). See also SSA, *POMS*, DI 60099.040, A (September 29, 2017).

<sup>22</sup> SSA, *POMS*, DI 60099.005, C (September 29, 2017).

project. Of these, 85,140 beneficiaries were eligible for the offset. For further information regarding the BOND project, see Appendix C.

During this review, SSA provided us with updated costs, savings, and return-to-work participant outcomes since our prior reviews of the TTW<sup>23</sup> and PASS<sup>24</sup> programs and BOND<sup>25</sup> project. We acknowledge SSA's opposition with the approach of our review. SSA did not agree with our discussing the time-limited BOND project along with return-to-work programs. However, we believe it is important to discuss the BOND project because it tests alternative work incentives. Appendix D provides details of our scope and methodology.

## RESULTS OF REVIEW

SSA had spent about \$3 billion on two ongoing, congressionally mandated return-to-work programs and a time-limited demonstration project designed to determine whether a policy change would help beneficiaries return to work. However, these programs and demonstration project enticed a small percentage of disabled individuals to return to work.

Since the TTW program's inception in 2000, SSA had incurred over \$2.8 billion in costs to operate the program. SSA estimated that, as of Fiscal Year (FY) 2016, the TTW program had saved the Agency approximately \$5.9 billion and achieved a 2.6-percent participation rate. For each of the almost 1.2 million beneficiaries SSA served, TTW cost about \$2,300, while benefits forgone was about \$5,000.

For PASS, SSA could not provide costs incurred, savings, or return-to-work participant outcomes, even though SSA implemented the program in 1972. SSA told us it completed a longitudinal<sup>26</sup> study at the end of FY 2018. However, as of October 18, 2018, SSA's draft report was under internal review.

SSA could not provide savings for the BOND project. Since the BOND project's inception in 2010, it has cost SSA \$115.6 million with only 4,700 (5.5 percent) of the 85,140 project's offset-eligible participants voluntarily returning to work and receiving the offset for 1 or more months. This is a cost of about \$24,600 per BOND offset participant as of November 2017. In September 2018, SSA conducted a formal evaluation that included an impact, process, and cost-benefit analysis of BOND. However, SSA did not expect to issue its results until November 2018.

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<sup>23</sup> SSA, OIG, *The Ticket to Work Program*, A-02-17-50203, (September 2016).

<sup>24</sup> SSA, OIG, *The Social Security Administration's Plan to Achieve Self-Support Program*, A-08-16-50030, (September 2016).

<sup>25</sup> SSA, OIG, *Oversight of the Benefit Offset National Demonstration Project*, A-04-14-14078, (September 2015).

<sup>26</sup> The study will be conducted over an extended period.

The operational costs for the programs and project we reviewed are relatively small when compared to the overall Social Security disability budget. Yet, SSA must remain mindful of its responsibility to be a good steward of the Nation's trust fund dollars. Accordingly, SSA should evaluate the viability of existing programs and ongoing or future demonstration projects and determine whether the results warrant continued expenditures. While we recognize a research project's design includes a duration of treatment, we also believe SSA should advise Congress when early results indicate the project is not helping beneficiaries return to work. With this information, Congress could make timely decisions regarding funding or legislative changes. Otherwise, SSA could continue spending trust fund dollars to conduct return-to-work programs and projects while few participants return to work and/or reduce their reliance on disability programs.

## **TTW Program Costs, Savings, and Participant Outcomes**

Since the TTW program's inception in 2000, SSA had incurred costs over \$2.8 billion to manage and evaluate the program. This cost also included a reduction in savings due to deferring CDRs for participants of TTW. The Agency estimated that, as of Calendar Year 2016, it had realized \$5.9 billion in savings from benefits it no longer paid Ticket Holders who returned to work under the program. Based on these data, it cost SSA about \$2,300, while benefits forgone was about \$5,000, for each of the almost 1.2 million beneficiaries it served.

An independent evaluation by Mathematica<sup>27</sup> reported that the TTW program had a limited, but positive, effect on the employment of disabled individuals and motivated some beneficiaries to pursue employment. Moreover, although relatively few beneficiaries enrolled in SSA-funded employment support programs through TTW, those who used such employment services had better employment outcomes and were more likely to leave benefits than those who did not. Additionally, it reported that although there was evidence the TTW program targeted individuals who were interested in returning to work, rigorous analyses failed to identify strong evidence of the TTW program's impact on employment outcome and found no consistent evidence that TTW affected employment and benefit receipt.<sup>28</sup>

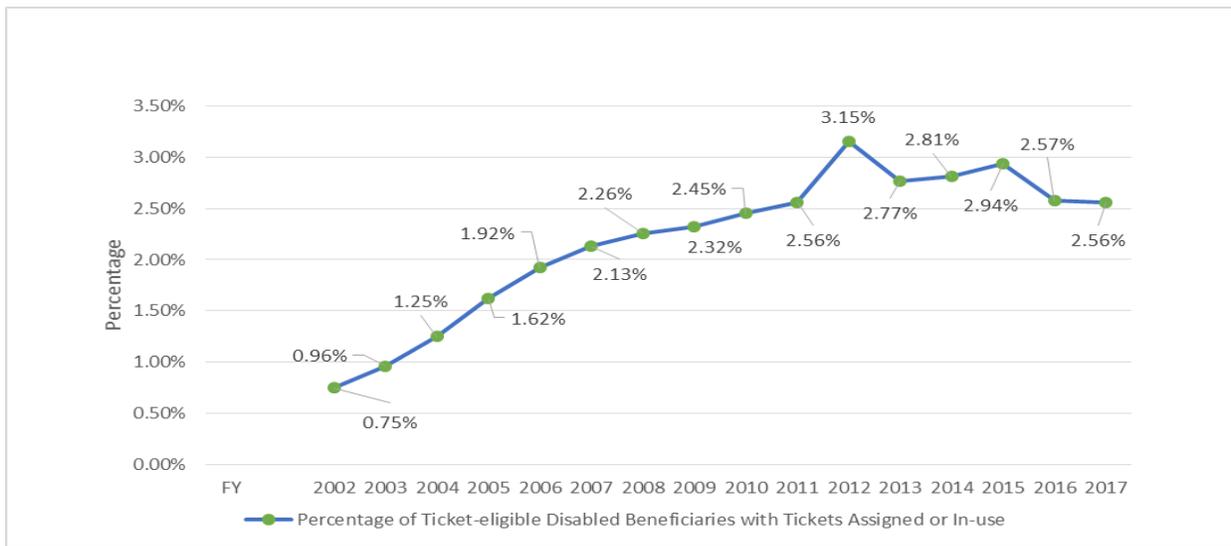
Although SSA reported significant savings for the TTW program, few Ticket-eligible beneficiaries used their Tickets to receive vocational or employment services. Specifically, less than 3 percent of Ticket-eligible beneficiaries assigned their Tickets or placed them in-use in FY 2017. While the number of Ticket assignments was low when the TTW program first began, it steadily increased until it peaked in 2012. In recent years, the percentage of individuals assigning their Tickets has decreased. See Figure 1.

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<sup>27</sup> In 2003, SSA contracted with Mathematica to evaluate the TTW program. Mathematica released seven reports from February 2004 through July 2013.

<sup>28</sup> Mathematica Policy Research, *Executive Summary of the Seventh Ticket to Work Evaluation Report*, p. 21 (July 2013).

**Figure 1: Percent of Ticket-eligible Beneficiaries with Tickets Assigned or In-use**



**Source:** SSA’s Office of Research, Demonstration, and Employment Support

For details on the cost, savings, and participant outcomes, including the rate of Ticket assignments for all years since the TTW program’s inception, see Appendix A.

SSA’s 2015 National Beneficiary Survey identified several reasons why beneficiaries may not participate in the TTW program, including the individual

- had a physical or mental condition that prevents work (90 percent),
- did not want to lose cash or health insurance benefits (12.5 percent),
- could not find a job he/she is qualified for (23.3 percent), or
- caring for someone else (7.5 percent).<sup>29</sup>

Without a legislative change, the TTW program will continue indefinitely as Congress has designed it. SSA should evaluate the viability and cost-effectiveness of this return-to-work program and advise Congress whether the results warrant continued expenditures.

## **PASS Program Costs, Savings, and Participant Outcomes**

Our 2016 review of the PASS program determined that SSA did not have information on program costs, savings, or return-to-work participant outcomes.<sup>30</sup> In addition, SSA did not have data on the PASS program’s impact on the disability rolls. We also found internal control weaknesses left the PASS program vulnerable to misuse. Specifically, some individuals misused

<sup>29</sup> SSA, *National Beneficiary Survey: Disability Statistics, 2015*, pp. 16 and 18 (March 2018). Multiple responses were possible. As such, the percentages will not total 100.

<sup>30</sup> SSA, OIG, *The Social Security Administration’s Plan to Achieve Self-Support Program*, A-08-16-50030 (September 2016).

PASS benefits to obtain items or services unrelated to their work goals. We ultimately concluded the Agency was not effectively managing the PASS program. Because of the lack of reliable management information and program activities, SSA completed a longitudinal study to determine the PASS program’s participation and impact on the disability rolls at the end of FY 2018. As of October 18, 2018, SSA’s draft report was under internal review. Nonetheless, SSA should advise Congress if results indicate the PASS program is not effectively helping beneficiaries return to work as designed.

## BOND Project Costs, Savings, and Participant Outcomes

In 2009, SSA awarded Abt Associates a 9-year contract at an estimated cost of \$121 million to administer the congressionally mandated BOND research project that would test the effects of the BOND offset. As of November 2017, SSA had paid Abt Associates over \$115.6 million (96 percent) of the total contract cost. At the time of our review, SSA could not provide the overall estimated savings for the BOND project. To date, SSA has found that only 4,700 (5.5 percent) of the 85,140 participants eligible to use the offset had used it for 1 or more months as of November 2017. This is a cost of about \$24,600 per BOND offset participant. Table 1 shows the number of months individuals used the BOND offset.

**Table 1: BOND Beneficiaries in Offset by Number of Months**

BOND Participants in Offset (as of November 2017)		
Number of Months in Offset	Number of Beneficiaries in Offset	Percent of Total
1-6	457	9.72
7-12	744	15.83
13-18	431	9.17
19-24	548	11.66
25-30	336	7.15
31-36	488	10.38
37-42	296	6.30
43-48	457	9.72
49-54	264	5.62
55-60	679	14.45
<b>Total</b>	<b>4,700</b>	<b>100.00</b>

SSA was unable to provide examples of why BOND participants did not return to work and receive the BOND offset. SSA explained the BOND project’s design was not intended to address the full spectrum of why beneficiaries did not work. However, it was designed to test whether a specific change in the financial incentives to work would encourage more beneficiaries to earn above SGA. SSA further stated that determining why beneficiaries were not returning to work and using the offset was beyond BOND’s scope.

In September 2018, SSA completed a cost-benefit analysis for BOND but did not expect to issue the final report until November 2018. Nevertheless, SSA should continue reporting to Congress annually of the BOND project's progress. While we recognize a research project's design includes a duration of treatment, we also believe SSA should advise Congress when early results indicate a project is not effectively helping beneficiaries return to work. With this information, Congress could make timely decisions regarding project funding.

## Demonstration Projects Going Forward

The *Social Security Act* authorizes SSA to conduct research and demonstration projects to test changes to the DI program that may encourage disabled beneficiaries to work.<sup>31</sup> As a result, SSA will continue performing demonstration projects that cost millions in demonstration dollars.<sup>32</sup> In the *Bipartisan Budget Act of 2015*, Congress mandated that SSA conduct a new demonstration project, the Promoting Opportunity Demonstration,<sup>33</sup> which will end in December 2021. This demonstration project will test the effects of simplified work incentives and a benefit offset in the DI program. SSA is enrolling 15,000 volunteers to participate in its Promoting Opportunity Demonstration with an estimated cost of \$45.1 million.

In our 2015 report, we recommended that SSA develop clearly defined metrics and a business case to justify future demonstration projects.<sup>34</sup> We also recommended SSA require that an independent executive(s) evaluate and approve the project's planned costs, and throughout the project at established milestones, assess the results and determine whether the project merits continued expenditures.<sup>35</sup> In response to our recommendations, SSA stated that, while it agreed with the recommendations, it would need to explore the possibility of hiring an independent demonstration project reviewer with specialized experience to evaluate the project's costs and results throughout the study to determine whether the project should continue.

SSA told us that, since Congress directed it to conduct Promoting Opportunity Demonstration and was specific to policy and timeframe, it decided not to conduct a formal pre-project cost/savings analysis. However, SSA stated it had conducted a full independent governmental cost estimate for each of the contracts and requested the appropriate funds from Congress to implement and evaluate the demonstration project. Further, SSA stated the project was reviewed by several executives during the design and procurement phases in addition to the ongoing implementation and evaluation phase. SSA also stated that it regularly briefed congressional staff on the project's status. While the Agency reports annually to Congress on the progress of

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<sup>31</sup> *Social Security Act*, 42 U.S.C. § 434 (a)(1)(A) (govinfo.gov 2016).

<sup>32</sup> Examples of SSA's demonstration and research projects include Accelerated Benefits, Benefit Offset Pilot Demonstration, Mental Health Treatment Study, Supported Employment Demonstration, and Youth Transition Demonstration.

<sup>33</sup> *Social Security Act*, 42 U.S.C. § 434(f) (govinfo.gov 2016).

<sup>34</sup> SSA, OIG, *Oversight of the Benefit Offset National Demonstration Project, A-04-14-14078*, p. 11 (September 2015).

<sup>35</sup> See Footnote 34.

ongoing demonstration projects, SSA should work closely with Congress to determine whether early results of a project warrant continued expenditures. By doing so, SSA and Congress could eliminate excessive time and expenditures on continued demonstration projects whose early results show that very few participants returned to work and reduced their reliance on disability.

## CONCLUSIONS

Despite the significant dollars spent to operate the return-to-work programs and project we reviewed, only a small percent of participants have returned to work. SSA should evaluate the viability of the existing programs and ongoing demonstration projects and advise Congress sooner of the results and costs. With this information, Congress can make timely decisions to determine whether the existing programs and early results of the demonstration projects warrant continued expenditures, and make necessary legislative changes accordingly. Otherwise, SSA could continue spending trust fund dollars to conduct these return-to-work programs and projects while very few participants return to work and/or reduce their reliance on disability benefits.

## RECOMMENDATIONS

We recommend that SSA:

1. Evaluate the viability and cost-effectiveness of the return-to-work programs and advise Congress whether the results warrant continued expenditures.
2. Continue advising Congress on the progress of BOND and, with future demonstration projects, advise Congress when early results indicate a project is not effectively working as designed.

## AGENCY COMMENTS

SSA agreed with Recommendation 1 but disagreed with Recommendation 2.

SSA commented that it disagreed with our methodology of including the demonstration projects with return-to-work programs in this review. While SSA agreed with Recommendation 1, it stated that the findings from the Mathematica report included in this report were misleading because the points were taken out of context. That is, the Mathematica evaluation did not determine whether TTW affected the employment or benefits of individual participants. SSA disagreed with Recommendation 2 and stated that it briefs congressional staff several times a year on the BOND project, and its current congressional report is fully transparent about the known impacts of the policies being tested and the associated costs. SSA further stated that allowing a demonstration to run its pre-specified course, as long as it adheres to protocol and ethical standards, provides policymakers with the information necessary to consider when determining which policies to implement on a larger scale.

## OIG RESPONSE

Federal law requires the Agency to implement the TTW and PASS programs and conduct demonstration projects that would test alternative work rules designed to give DI and SSI beneficiaries an incentive to work and reduce their reliance on SSA benefits. This review provided an update on SSA's return-to-work programs and project on which we previously reported. We recognize a research project's design includes a duration of treatment. However, as a good steward of trust fund dollars, we continue to believe that advising Congress of early results will allow it to make timely decisions regarding funding or legislative changes. Otherwise, SSA could continue spending trust fund dollars to conduct return-to-work demonstration projects that early results show do not warrant a change in policy.

To support its good stewardship of the trust funds, we encourage SSA to reconsider its response to Recommendation 2 and to advise Congress when early results of the demonstration projects indicate a change in policy is not warranted. The full text of SSA's comments is included in Appendix E.



Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

# Appendix A – TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

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## Ticket to Work and Self-Sufficiency Program Background

Under the Ticket to Work and Self-Sufficiency (TTW) program, a beneficiary can choose if, when, and where to use a Ticket with any approved Employment Network (EN) or State Vocational Rehabilitation agency (SVRA).<sup>1</sup> An EN enters into an agreement with the Social Security Administration (SSA) to provide, or coordinate the delivery of, services to disabled beneficiaries.<sup>2</sup> An EN can be an individual, a partnership/alliance (public or private), or a consortium of organizations collaborating to combine resources to serve eligible individuals.<sup>3</sup> SVRAs can choose to serve beneficiaries under the traditional Vocational Rehabilitation Cost Reimbursement program or as an EN.<sup>4</sup> SVRAs that choose to function as ENs are referred to as Vocational Rehabilitation Employment Networks (VREN).<sup>5</sup>

## TTW Costs

For the TTW program, SSA incurred costs through payments to service providers and contractors that helped manage and evaluate the program. Additionally, SSA lost savings by deferring continuing disability reviews (CDR) for participants of TTW.<sup>6</sup> Table A–1 provides costs incurred since inception through Fiscal Year (FY) 2017.

**Table A–1: Costs Incurred for TTW from FY 2000 Through FY 2017**

TTW Costs	Amount
SVRA, VREN, and EN Costs	\$2,238,572,971
Lost Savings for Deferred CDR	287,000,000
Program Manager Costs	279,266,342
<b>Total Costs</b>	<b>\$2,804,839,313</b>

Source: SSA’s Office of Research, Demonstration, and Employment Support

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<sup>1</sup> SSA, *POMS*, DI 55001.001 (October 29, 2002); SSA, *Ticket Program Basics*, ssa.gov (last visited July 21, 2018).

<sup>2</sup> SSA, *POMS*, DI 55010.001 (May 1, 2012).

<sup>3</sup> SSA, *Employment Networks (EN)*, ssa.gov (last visited July 25, 2018).

<sup>4</sup> SSA, *State Vocational Rehabilitation Agencies and the Ticket Program*, ssa.gov (last visited July 20, 2018).

<sup>5</sup> See Footnote 4.

<sup>6</sup> SSA, *POMS*, DI 55001.001, B.4 (October 29, 2002). SSA, *POMS*, DI 55025.001, A (May 28, 2014). SSA must periodically review the claims of individuals who are disabled and entitled to benefit payments to determine whether the individuals remain disabled. This process is called a CDR. SSA, *POMS*, DI 13001.001 (December 2, 2014). When SSA defers the CDR, it loses savings by continuing benefit payments to beneficiaries who, but for their participation in TTW, might be determined no longer disabled and have their benefits terminated.

Additionally, SSA incurred administrative costs of over \$6.4 million for Calendar Year (CY) 2017. These costs consisted of staffing, printing, and shipping. SSA also paid over \$34.6 million to evaluate the TTW program; however, SSA did not attribute these costs to the TTW program.

SSA pays SVRAs and ENs as they provide services to beneficiaries as part of the TTW program. For a full breakout of SVRA, VREN, and EN costs incurred, see Table A–2.

**Table A–2: SVRA, VREN, and EN Costs by FY**

<b>FY</b>	<b>Payments Made to SVRAs Under the Cost-reimbursement Option</b>	<b>Payments Made to VRENs</b>	<b>Payments Made to ENs</b>	<b>Total Costs</b>
2002	\$131,014,755	-	\$3,924	\$131,018,679
2003	84,568,303	\$31,544	214,920	84,814,767
2004	85,172,425	117,402	631,726	85,921,553
2005	75,635,940	382,613	1,702,756	77,721,309
2006	105,049,203	671,055	2,293,520	108,013,778
2007	90,263,130	873,711	2,768,640	93,905,481
2008	124,238,549	1,239,937	4,360,797	129,839,283
2009	122,268,833	1,603,774	10,874,474	134,747,081
2010	105,964,399	3,086,394	15,299,037	124,349,830
2011	72,991,906	4,431,065	21,223,022	98,645,993
2012	78,768,058	3,898,956	24,495,765	107,162,779
2013	138,260,585	5,306,964	24,721,345	168,288,894
2014	141,449,760	12,397,789	28,878,549	182,726,098
2015	187,835,165	10,061,363	39,258,767	237,155,295
2016	181,403,973	16,987,848	68,442,503	266,834,324
2017	128,033,058	15,549,004	63,845,765	207,427,827
<b>Total</b>	<b>\$1,852,918,042</b>	<b>\$76,639,419</b>	<b>\$309,015,510</b>	<b>\$2,238,572,971</b>

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

For beneficiaries who assign their Tickets with a service provider and make timely progress toward self-supporting employment, SSA may not initiate a medical CDR.<sup>7</sup> This deferral of CDRs is a reduction of savings in disability cessations to SSA. SSA estimated in the May 20, 2008 *Federal Register* that the lost savings of CDR deferrals would be \$287 million over a 10-year period.<sup>8</sup> We asked SSA whether it had determined the actual reduction in savings due to CDR deferrals for TTW participants since the implementation of the TTW program and SSA replied that it did not have such data.

Also, the *Ticket to Work and Work Incentives Improvement Act of 1999* requires that SSA contract with one or more program managers to assist the Agency in administering the TTW program.<sup>9</sup> SSA has contracted with multiple program managers to manage and promote the TTW program.

- SSA contracted with one program manager primarily to manage the TTW program and the TTW Data Operations Center needed to sustain TTW program operations.
- SSA contracted with Cherry Engineering Support Services, Incorporated as the Program Manager for Recruitment and Outreach to perform outreach activities to encourage and facilitate beneficiary participation in the TTW program and to recruit service providers to serve those beneficiaries as ENs.
- SSA contracted with a vendor to serve as the TTW Program Manager for Beneficiary Access and Support Services, which helped encourage and facilitate beneficiary participation in the TTW program.

For a breakout of the program manager costs, see Table A–3.

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<sup>7</sup> *Social Security Act*, 42 U.S.C. § 1320b-19(i) (govinfo.gov 2016).

<sup>8</sup> *Amendments to the Ticket To Work and Self-Sufficiency Program*, 73 Fed. Reg. pp. 29, 337-38 (May 20, 2008) (codified at 20 C.F.R. part 411).

<sup>9</sup> *Social Security Act*, 42 U.S.C. § 1320b-19(d)(1) (govinfo.gov 2016).

**Table A-3: TTW Program Manager Costs**

<b>FY</b>	<b>Funds Paid to TTW Program Manager for Operations</b>	<b>Funds Paid to Program Manager for Recruitment and Outreach</b>	<b>Funds Paid to Program Manager for Beneficiary Access and Support Services</b>	<b>Total by FY</b>
2000	\$12,392,343	-	-	\$12,392,343
2001	-	-	-	-
2002	14,027,617	-	-	14,027,617
2003	15,097,050	-	-	15,097,050
2004	9,395,121	-	-	9,395,121
2005	11,792,370	-	-	11,792,370
2006	8,931,768	\$2,631,244	-	11,563,012
2007	9,487,533	3,511,057	-	12,998,590
2008	12,445,651	5,782,663	-	18,228,314
2009	13,081,198	5,431,532	-	18,512,730
2010	14,769,552	4,236,540	\$8,497,800	27,503,892
2011	14,687,969	-	8,070,326	22,758,295
2012	11,716,093	-	11,139,236	22,855,329
2013	12,208,429	-	12,590,226	24,798,655
2014	7,946,115	-	4,598,152	12,544,267
2015	9,207,950	-	8,567,807	17,775,757
2016	13,951,500	-	-	13,951,500
2017	13,071,500	-	-	13,071,500
<b>Total</b>	<b>\$204,209,759</b>	<b>\$21,593,036</b>	<b>\$53,463,547</b>	<b>\$279,266,342</b>

**Source:** SSA's Office of Research, Demonstration, and Employment Support

**Note:** The program manager contracts were cost-type contracts that were incrementally funded. Therefore, a program manager did not receive funds in 2001 because the contracting officer previously obligated funds when the contract was awarded on September 29, 2000. That obligation covered estimated costs during the "phase-in" period, which included 2001.

## TTW Savings

If individuals return to work and have earnings above certain thresholds, their benefits may be suspended or terminated.<sup>10</sup> As of CY 2016, the Agency estimated over \$5.9 billion in benefits or payments not paid to beneficiaries because of work activity in the years following their Ticket assignment. SSA refers to these savings as “benefits forgone for work,” as shown in Table A–4.<sup>11</sup>

**Table A–4: Benefits Forgone for Work by CY of Ticket Assignment**

CY of Most Recent Ticket Assignment	Number of Ticket Assignments	Total Benefits Forgone for Work in Years Following Ticket Assignment
2002	25,450	\$271,568,036
2003	45,000	544,251,895
2004	78,187	871,482,361
2005	66,450	687,239,728
2006	68,364	575,904,615
2007	71,503	488,871,612
2008	82,931	494,657,160
2009	87,016	442,152,466
2010	95,572	441,958,851
2011	124,136	427,485,160
2012	92,167	274,542,081
2013	87,021	192,768,295
2014	90,459	148,238,461
2015	92,801	84,101,652
2016	87,108	26,357,753
<b>Total</b>	<b>1,194,165</b>	<b>\$5,971,580,126</b>

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

**Note:** Earlier years of Ticket assignments have had more monthly opportunities to forgo benefit payments, hence the larger savings for the earlier years of the TTW program.

<sup>10</sup> SSA, *POMS*, DI 10501.015 (October 20, 2017). SSA, *POMS*, DI 13010.160, A (February 22, 2016).

<sup>11</sup> At the time of our review, the Benefits Forgone for Work information was not available for CY 2017.

As shown in Table A–4, the benefits forgone for each of the beneficiaries that assigned their Ticket was about \$5,000,<sup>12</sup> whereas the costs as stated in Table A–1, is approximately \$2,300 per the estimated 1.2 million Ticket assignees. An independent evaluation by Mathematica<sup>13</sup> reported that the TTW program had a limited, but positive, effect on the employment of disabled individuals and motivated some beneficiaries to pursue employment. Moreover, although relatively few beneficiaries enrolled in SSA-funded employment support programs through TTW, those who used such employment services had better employment outcomes and were more likely to leave benefits than those who did not. Additionally, it reported that although there was evidence the TTW program was targeting individuals who were interested in returning to work, rigorous analyses failed to identify strong evidence of the TTW program’s effect on employment outcome and found no consistent evidence that TTW affected employment and benefit receipt.<sup>14</sup>

## TTW Program Participation

The number of beneficiaries who sought employment and vocational rehabilitation services has been small when compared to the overall population of Ticket Holders. Table A–5 shows the rate of Ticket assignment for FYs 2002 through 2017.

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<sup>12</sup> Our estimate of benefits forgone per beneficiary is based on the benefits forgone and number of beneficiaries with Tickets assigned as shown in Table A–4 ( $\$5,971,580,126 \div 1,194,165 = \$5,000$ ). Our estimate of cost per beneficiary is based on the amount of total TTW costs as shown in Table A–1 and number of beneficiaries with a Ticket assigned as shown in Table A–4 ( $\$2,804,839,313 \div 1,194,165 = \$2,348$ , which rounded to \$2,300).

<sup>13</sup> In 2003, SSA contracted with Mathematica to conduct an evaluation of the TTW program. Mathematica released seven reports from February 2004 through July 2013.

<sup>14</sup> Mathematica Policy Research, *Executive Summary of the Seventh Ticket to Work Evaluation Report*, p. 21 (July 2013).

**Table A-5: Disabled Beneficiaries with Tickets Assigned or Tickets In-use by FY**

FY	Number of Ticket Eligible Disabled Beneficiaries	Tickets In-use with an SVRA Under Cost Reimbursement Option	Tickets Assigned to a VREN	Tickets Assigned to an EN	Total Tickets In-use or Assigned	Percent of Ticket-Eligible Disabled Beneficiaries with Tickets Assigned or In-use
2002	2,625,915	17,712	333	1,616	19,661	0.75
2003	5,689,582	48,657	1,516	4,169	54,342	0.96
2004	9,858,420	112,801	3,270	7,370	123,441	1.25
2005	10,467,430	155,595	4,551	9,726	169,872	1.62
2006	10,782,206	190,030	5,460	11,620	207,110	1.92
2007	11,070,005	216,144	6,088	13,458	235,690	2.13
2008	11,565,153	236,110	6,985	18,231	261,326	2.26
2009	12,326,492	248,648	9,717	27,803	286,168	2.32
2010	12,913,474	266,097	12,597	37,698	316,392	2.45
2011	13,548,403	280,554	16,783	48,882	346,219	2.56
2012	14,261,188	379,697	21,434	48,029	449,160	3.15
2013	14,608,257	326,196	26,032	52,520	404,748	2.77
2014	14,790,055	331,016	29,383	55,458	415,857	2.81
2015	14,872,531	345,200	31,784	59,629	436,613	2.94
2016	13,740,150	261,789	32,981	58,762	353,532	2.57
2017	13,553,856	250,565	30,109	65,651	346,325	2.56

Source: SSA's Office of Research, Demonstration, and Employment Support

## Appendix B – PLAN TO ACHIEVE SELF-SUPPORT PROGRAM

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### Plan to Achieve Self-Support Program Background

Under the Plan to Achieve Self-Support (PASS) program, the *Social Security Act* allows disabled individuals to set aside income and resources to pay for items or services (such as tuition, business equipment, and transportation) to achieve a work goal.<sup>1</sup> Supplemental Security Income (SSI) recipients must show how achieving their work goal will generate enough earnings to substantially reduce their dependence on SSI.<sup>2</sup> Work goals for Disability Insurance (DI) beneficiaries must include projected earnings high enough to eliminate their need for DI benefits.<sup>3</sup>

Disabled individuals submit their written PASS application to a network of Social Security Administration (SSA) employees (known as a PASS cadre).<sup>4</sup> SSA requires that the applicant propose a work goal with a reasonable time-period for completion and identify the items necessary to achieve that goal.<sup>5</sup> Because a PASS involves setting aside income other than SSI, the individual must also have income (often their DI benefits) or resources to pursue their work goal.<sup>6</sup> PASS specialists review the PASS applications to ensure the goal is feasible and the plan for achieving the goal is realistic based on such factors as the individual's age, education, and impairments.<sup>7</sup> If the PASS specialist approves the plan, SSA requires that the specialist periodically monitor the individual's progress and determine whether the individual appropriately used the PASS benefits to pay for expenses related to the work goal.<sup>8</sup> The PASS ends when the participant reaches the work goal; completes the time schedule outlined in the plan; or abandons, or does not comply with, the terms of the plan.<sup>9</sup>

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<sup>1</sup> *Social Security Act*, 42 U.S.C. § 1382a-(b)4(A), (B) (govinfo.gov 2016); SSA, *POMS*, SI 00870.001 (January 16, 2018); SSA, *POMS*, SI 00870.025, B.5.g (October 6, 2017).

<sup>2</sup> 20 C.F.R. § 416.1226 (a)(7) (govinfo.gov 2018); SSA, *POMS*, SI 00870.006, A.5 (February 6, 2018).

<sup>3</sup> See Footnote 2.

<sup>4</sup> Congressional Research Service, *Supplemental Security Income (SSI): Income/Resource Limits and Accounts Exempt from Benefit Determinations*, p. 4 (January 25, 2013).

<sup>5</sup> SSA, *POMS*, SI 00870.006, A (February 6, 2018); SSA, *Elements of a Plan to Achieve Self-Support*, ssa.gov (last visited June 20, 2018).

<sup>6</sup> See Footnote 5.

<sup>7</sup> SSA, *POMS*, SI 00870.001 (January 16, 2018); SSA, *POMS*, SI 00870.006 (February 6, 2018); SSA, *POMS*, SI 00870.025, A.2 (October 6, 2017).

<sup>8</sup> See SSA, *POMS*, SI 00870.055 (September 19, 2014).

<sup>9</sup> 20 C.F.R. § 416.1182 (govinfo.gov 2018).

## Prior PASS Reviews

Below are some findings and recommendations from our prior reviews of SSA's PASS program.

- In September 2016, we reported that SSA did not have sufficient information to evaluate the success of the PASS program.<sup>10</sup> Specifically, SSA lacked basic data on PASS program participation, costs, and outcomes. In addition, SSA had not evaluated the impact on the disability rolls. We also found that SSA had internal control weaknesses that left the PASS program vulnerable to misuse. Specifically, some individuals misused PASS benefits to obtain items or services unrelated to their work goals. As a result of our findings, we made the following recommendations.
  - Collect data on PASS program participation, costs, and outcomes.
  - Evaluate the PASS program's impact on disability rolls periodically.
  - Establish routine program monitoring and quality control reviews.
  - Strengthen internal controls, such as clarifying program guidelines, limiting PASS benefits, and taking steps to reduce overpayments caused by misuse of PASS benefits.
- In May 2010, we reported that, while the PASS program helped some recipients return to work, the program costs outweighed the savings.<sup>11</sup> As a result, we recommended SSA reinforce to its PASS cadres that PASSes should be for feasible and realistic goals that are expected to increase the (a) recipient's prospect for self-support and (b) likelihood of savings to SSA's programs.
- In September 1999, we reported that some DI beneficiaries with income and/or resources excluded under a PASS in Fiscal Year 1993 were using the PASS provision to begin receiving SSI payments.<sup>12</sup> We estimated that \$18.25 million in SSI payments were paid to approximately 2,268 concurrent beneficiaries, who, because of their PASS exclusion, were eligible to receive SSI. The expectation of the PASS provision is that, after completion, an individual's benefits would stop or at least be reduced. However, we determined their DI benefits continued at the same or higher rate after income and/or resources were no longer excluded under their PASS plans. As a result, we recommended SSA pursue legislation to discontinue the practice of DI beneficiaries using PASS to establish SSI eligibility.

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<sup>10</sup> SSA, OIG, *The Social Security Administration's Plan to Achieve Self-Support Program*, A-08-16-50030, pp. 3, 8 (September 2016).

<sup>11</sup> SSA, OIG, *Plan to Achieve Self-Support Program*, A-01-09-19034, pp. 2, 6 (May 2010).

<sup>12</sup> SSA, OIG, *Use of Plans for Achieving Self-Support to Obtain Supplemental Security Income Benefits*, A-01-98-61006, pp. i and ii (September 1999).

## Appendix C – BENEFIT OFFSET NATIONAL DEMONSTRATION PROJECT

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### Benefit Offset National Demonstration Project Costs

In 2009, the Social Security Administration (SSA) awarded Abt Associates a 9-year contract at an estimated cost of \$121 million to administer the Benefit Offset National Demonstration (BOND) project. As of November 2017,<sup>1</sup> SSA had paid Abt Associates over \$115.6 million (96 percent) of the total contract cost. This is a cost of about \$24,600 per BOND offset participant.<sup>2</sup> Table C–1 shows the Fiscal Year (FY) costs incurred as of 2018.

**Table C–1: BOND Costs Incurred as of FY 2018**

FY	Costs
2010	\$9,427,987
2011	17,900,478
2012	27,233,777
2013	16,664,578
2014	13,903,011
2015	9,882,188
2016	10,407,392
2017	8,768,362
2018	1,453,299
<b>Total</b>	<b>\$115,641,072</b>

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

### BOND Participation

The BOND project included over 1.2 million Disability Insurance (DI) participants. Eligible beneficiaries were assigned randomly to either a Stage 1 treatment or control group or to the solicitation pool to be recruited for Stage 2.<sup>3</sup>

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<sup>1</sup> For FY 2018, only October and November were included in the total.

<sup>2</sup> Our estimate of cost per BOND offset participant is based on the total costs as shown in Table C–1 and the number of BOND offset participants in FY 2017 as shown in Table C–4 ( $\$115,641,072 \div 4,700 = \$24,604$ , which rounded to \$24,600).

<sup>3</sup> Stage 1 and 2 treatment groups participated in the BOND project for a maximum of 60 months (5 years) upon completion of a trial work period. Participants must have completed their trial work period on or before September 30, 2017 to be eligible for the BOND project’s offset.

- Stage 1 was designed to examine how a national benefit offset provision would affect the DI population as a whole. Stage 1 began in May 2011 with 968,713 randomly assigned beneficiaries separated into two groups: treatment (77,115 beneficiaries) and control (891,598 beneficiaries). The BOND project offered the Stage 1 treatment group participants a \$1-for-\$2 offset and Work Incentives Counseling (WIC).<sup>4</sup> Control group beneficiaries received benefits according to current law.<sup>5</sup>
- Stage 2 was designed to learn more about the impact of the benefit offset for those individuals most likely to use the offset. Full implementation of Stage 2 began in June 2011 and was limited to beneficiaries who were receiving only DI benefits and volunteered to participate in the project. Abt Associates solicited 240,773 from the 1.2 million DI beneficiaries for Stage 2, but 227,819 (95 percent) either declined, or did not receive, the solicitation letter or telephone call regarding the BOND project. Abt Associates randomly assigned the 12,954 Stage 2 beneficiaries who volunteered to 1 of 3 groups—2 treatment groups (8,025 beneficiaries) and 1 control group (4,929 beneficiaries). Abt Associates applied one treatment group with the \$1-for-\$2 offset and WIC and applied the second treatment group with the \$1-for-\$2 offset and enhanced Work Incentive Counseling (EWIC).<sup>6</sup> The control group was not offered the \$1-for-\$2 offset, WIC, or EWIC. It was subject to benefits according to current law.<sup>7</sup>

In total, the BOND project had 85,140 treatment group participants eligible for the BOND offset: 77,115 Stage 1 treatment group and 4,936 plus 3,089 Stage 2 treatment groups, as shown in Table C–2 and Table C–3. An additional 891,598 participants were assigned to the Stage 1 control group and 4,929 participants were assigned to the Stage 2 control group.

**Table C–2: BOND Project’s Stage 1 Beneficiaries**

Stage 1 Groups	Number of Beneficiaries	Percent of Total Beneficiaries	Incentives Offered
Treatment Group 1	77,115	8	\$1-for-\$2 offset and WIC
Control Group 1	891,598	92	Current law (no offset)
<b>Total</b>	<b>968,713</b>	<b>100</b>	

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

<sup>4</sup> WIC provided the treatment group participants with (1) assistance in explaining SSA disability benefits and work incentives with respect to the BOND project; (2) counseling on healthcare coverage options; and (3) in-depth counseling when beneficiaries were employed, seeking employment, or preparing for employment.

<sup>5</sup> Under current rules, DI beneficiaries lose all benefits if they earn more than the monthly substantial gainful activity amount for a sufficient period, which includes a 9-month trial work period and a 3-month grace period. SSA, *POMS*, DI 60099.005, B (September 29, 2017); SSA, *POMS*, DI 60099.040, A (September 29, 2017).

<sup>6</sup> EWIC provided beneficiaries a more intensive advisement relationship than they received with WIC. EWIC focused on helping BOND project participants determine the best employment path and prepare them for employment and retaining a job.

<sup>7</sup> See Footnote 5.

**Table C–3: BOND Project’s Stage 2 Beneficiaries**

Stage 2 Groups	Number of Beneficiaries	Percent of Total Beneficiaries	Incentives Offered
Treatment Group T21	4,936	38	\$1-for-\$2 offset and WIC
Treatment Group T22	3,089	24	\$1-for-\$2 offset and EWIC
Control Group 2	4,929	38	Current law (no offset)
<b>Total</b>	<b>12,954</b>	<b>100</b>	

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

Table C–4 provides the cumulative number of treatment group participants who were in offset at least 1 or more months during Calendar Years (CY) 2011 through September 2017. The participants began enrolling in the BOND project in May 2011, and the last participant enrolled in September 2012. Through September of CY 2017, 4,700 (5.5 percent) of the 85,140 participants had used the offset for 1 or more months.

**Table C–4: Beneficiaries Who Used the Offset—CYs 2011 Through 2017**

SSA’s BOND Project							
Treatment Group Participants	CY 2011 (May-Dec.)	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017 (Jan.-Sept.)
Total Beneficiaries in Offset Each Year for 1 or More Months	912	1,657	2,869	3,495	4,090	4,597	4,700

**Source:** SSA’s Office of Research, Demonstration, and Employment Support

**Note:** For CY 2017, BOND staff used an extract from the Master Beneficiary Record to obtain the counts of participants in offset for more than 1 month, which is a cumulative number of individuals receiving the offset by the dates of which the offset applied. SSA explained the number of participants provided would not match earlier estimates because those are generally revised over time as the Agency obtains new information (especially after the end-of-year reconciliation process).

## Appendix D– SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed all applicable laws and regulations related to the Ticket to Work and Self-Sufficiency (TTW) and Plan to Achieve Self-Support (PASS) programs and Benefit Offset National Demonstration (BOND) project.
- Reviewed the applicable sections of the Social Security Administration’s (SSA) Program Operations Manual System for TTW, PASS, and BOND.
- Reviewed our prior evaluations of TTW, PASS, and BOND.<sup>1</sup>
- Met with SSA staff directly involved in managing and supporting TTW, BOND, and PASS.
- Reviewed information on the costs incurred for the implemented TTW program and the time-limited BOND research project, savings to the Agency for the TTW program, and return-to-work participation outcomes for those individuals who returned to work under the TTW program and those who voluntarily returned to work and received the BOND offset.<sup>2</sup>

We conducted our audit from February through May 2018 in Atlanta, Georgia, and Richmond, California. We determined the data used for this audit were sufficiently reliable to meet our objective. Our review of internal controls was limited to obtaining an understanding of SSA’s oversight and monitoring of TTW, BOND, and PASS and the costs and savings associated with each program/project.

The principal entity audited was SSA’s Office of Research, Demonstration, and Employment Support under the Office of the Deputy Commissioner for Retirement and Disability Policy. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>1</sup> SSA, OIG, *The Ticket to Work Program*, A-02-17-50203 (September 2016); *The Social Security Administration’s Plan to Achieve Self-Support Program*, A-08-16-50030 (September 2016); and *Oversight of the Benefit Offset National Demonstration Project*, A-04-14-14078 (September 2015).

<sup>2</sup> SSA conducted a formal evaluation in September 2018 including an impact, process, and cost-benefit analysis on BOND. However, SSA does not expect to issue its results until November 2018. At the time of our review, SSA could not provide costs incurred, savings, or return-to-work participant outcomes for PASS. SSA told us it completed a longitudinal study at the end of Fiscal Year 2018. However, as of October 18, 2018, SSA’s draft report was under internal review.

## Appendix E – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

Date: October 17, 2018 Refer To: SIJ-3

To: Gale S. Stone  
Acting Inspector General

From: Stephanie Hall /s/  
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Social Security Administration’s Programs and Projects that Assist Beneficiaries in Returning to Work” (A-04-18-50600) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

Attachment

**SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “SOCIAL SECURITY ADMINISTRATION’S PROGRAMS AND PROJECTS THAT ASSIST BENEFICIARIES IN RETURNING TO WORK” (A-04-18-50600)**

**GENERAL COMMENTS**

Thank you for the opportunity to review the draft report. While we agree with the premise that we should evaluate our return-to-work programs for efficacy and cost-effectiveness, we disagree with the overall methodology of the report and the assumptions it makes. We disagree with the inclusion of demonstration projects, as the appropriate methodology for assessing such research projects differs from that used to assess established programs.

**Recommendation 1**

Evaluate the viability and cost-effectiveness of the return-to-work programs and advise Congress whether the results warrant continued expenditures.

**Response**

We agree. We are pleased that the audit notes that the Ticket to Work (TTW) program saves an average of \$5,000 per beneficiary served while only costing the agency \$2,300. While determining the effectiveness of voluntary national programs is complex, we are working on a return on investment report for the TTW program and are conducting an analysis of the Plan to Achieve Self-Support program.

The Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Programs are designed to provide financial support to individuals with disabilities who have demonstrated an inability to engage in substantial gainful activity due to a physical or mental disability that has lasted or is expected to last for a continuous period of at least 12 months or result in death. This population’s low use of return-to-work programs is expected; however, it does not follow that the programs are unwarranted. Despite beneficiaries’ low take-up rates, we believe we have a responsibility to encourage and support return-to-work efforts, and we do so with beneficiary savings that exceed expenditures.

We also believe the comments regarding the findings from the Mathematica report are misleading because the points are taken out of context. The audit comments imply that the Mathematica impact evaluation found TTW did not affect *individual* employment or benefit receipt, which is not the case. The evaluation assessed *overall* employment (through TWP completion) and benefit receipt and found the overall levels did not change relative to the prior VR-only program, but it did not assess whether TTW affected the employment or benefits of *individual* participants.

Further, as indicated in the audit report, TTW saves money, which suggests that it is cost-effective and that SSA is a good steward of SSDI and SSI funds. We will continue to produce documentation on the expenditures and outcomes of the TTW program.

## **Recommendation 2**

Continue advising Congress on the progress of the Benefit Offset National Demonstration and, with future demonstration projects, advise Congress when early results indicate a project is not effectively working as designed.

### **Response**

We disagree. As we noted during the audit, we provide an annual report to Congress summarizing the status and findings of all demonstration research authorized by Section 234 of the Social Security Act. We also notify Congress at least 90 days before beginning demonstration research projects. In addition, we participate in several briefings every year with Congressional staff in which we provide information on project funding, project design, available findings, and any other relevant issues for these demonstration research projects. The current Congressional report is fully transparent about the known impacts of the policies being tested and associated costs.

Further, we disagree with the OIG's apparent definition of "effectively working as designed." As evidenced by the inclusion of demonstrations in this audit, and OIG's prior audits of the Youth Transition Demonstration and Benefit Offset National Demonstration (BOND), OIG views these research projects as successful only if they result in more individuals returning to work. However, the purpose of a demonstration project is to produce evidence of whether, when, how, for whom, and at what cost a potential policy might work. The conduct of research does not guarantee that a tested policy will be effective; rather, conducting research provides the opportunity to test potential policies and learn about them without committing the agency or the government to a potentially ineffective policy.

Research demonstrations are planned to address research questions and are designed to last only as long as needed to answer the research questions, and findings are reported at pre-specified, meaningful times. For example, for BOND, the demonstration was designed to test all aspects of a policy and more than one competing option to implement that policy. To assess a programmatic outcome prematurely discounts the full value of information about the competing implementation strategies that will generate when the project is completed. Allowing a demonstration to run its pre-specified course, as long as it adheres to protocol and ethical standards, provides policymakers with the information necessary to consider when determining which policies to implement on a larger scale.

Finally, OIG's interpretation of whether a project is "effectively working as designed" includes the results related to the cost of the demonstration. OIG included the evaluation of the policy as part of the costs, which (a) are already reported and tacitly approved by Congress, but (b) are inappropriate when determining if a policy is effective.

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