Office of the Inspector General

November 26, 1999

William A. Halter
Deputy Commissioner
of Social Security

Inspector General

Beneficiaries Expressing Interest in Vocational Rehabilitation Services Through a Continuing Disability Review Mailer (A-01-97-61004)

Attached is a copy of the subject final report. The objective of this review was to assess the use of the Social Security Administration's (SSA) continuing disability review (CDR) mailer program as a tool for identifying candidates for vocational rehabilitation services. Specifically, we determined whether individuals who expressed an interest in vocational rehabilitation on a CDR mailer would have been accepted to enter rehabilitation programs by State vocational rehabilitation agencies if SSA had referred them.

You may wish to comment on any further actions taken or contemplated on our recommendations. If you choose to comment, please provide your comments within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Daniel R. Devlin, Acting Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

BENEFICIARIES EXPRESSING INTEREST IN VOCATIONAL REHABILITATION SERVICES THROUGH A CONTINUING DISABILITY REVIEW MAILER

November 1999 A-01-97-61004

EVALUATION REPORT

EXECUTIVE SUMMARY

OBJECTIVE

The objective of this review was to assess the Social Security Administration's (SSA) use of the continuing disability review (CDR) mailer program as a tool for identifying candidates for vocational rehabilitation (VR) services. Specifically, we assessed whether individuals who expressed an interest in VR on a CDR mailer would have been accepted to enter rehabilitation programs by State vocational rehabilitation agencies (VRA) if SSA had referred them.

BACKGROUND

Periodically, SSA is required to re-examine the medical condition of disabled beneficiaries. These re-examinations, called CDRs, determine whether individuals are still disabled and eligible for benefits. Beginning in 1993, questionnaires called CDR mailers replaced full medical CDRs for beneficiaries with a relatively low likelihood of benefit termination. In Fiscal Year (FY) 1996, SSA conducted 275,127 CDRs through mailers. In accordance with a memorandum issued by the Commissioner in March 1998, SSA expects to conduct about 900,000 CDR mailers per year for FYs 1999 through 2002. Included in this mailer is a question for the beneficiary regarding whether the individual would be interested in rehabilitation services. Until January 1996, SSA extracted "Yes" responses to this question and forwarded this information to State VRAs.

In January 1996, SSA suspended its procedures for forwarding CDR mailer information to State VRAs. As the reason for suspending these referrals, SSA officials cited anecdotal information from State agencies that beneficiaries referred based on CDR mailers were not qualified candidates for rehabilitation. SSA officials also believed that many beneficiaries answered "Yes" to the rehabilitation question because they believe, if they did not do so, their benefits will be in jeopardy.

RESULTS OF REVIEW

VRA ACCEPTANCE OF MAILER REFERRALS

According to SSA, referring individuals requesting VR on a CDR mailer was not efficient. We believe, however, with improvements to the process, these referrals can be more cost effective and result in significant cost savings. Our review found that for

the eight States selected for review, State VRAs accepted 102 of the 114 beneficiaries they evaluated (60 of the 102 were accepted as a result of our review, whereas the remaining 42 had been accepted prior to the start of our review). VRAs did not evaluate the remaining 686 of 800 beneficiaries sampled for various reasons described in the body of this report.

REFERRAL PROCESSING

Before SSA suspended its VRA referral procedures, service delivery was impeded by untimely referrals. This time lag diminished the quality of referrals as beneficiaries' circumstances often change over time. SSA's procedures allowed between 181 and 301 days after receiving a CDR mailer to refer a beneficiary who expressed an interest in services to a VRA. All of the VRAs included in our review reported difficulties locating or contacting beneficiaries who, oftentimes, had changed address or telephone number since submitting their CDR mailer to SSA. From our sample of 800 beneficiaries, VRAs reported that they were unable to contact or locate 354 (44.25 percent) of the sampled beneficiaries.

CHARACTERISTICS OF BENEFICIARIES ACCEPTED

SSA cited concerns on the part of State VRAs regarding the cost-effectiveness of evaluating CDR mailer-referred VR candidates as a reason for suspending its referral program. Our analysis of beneficiaries accepted for services showed specific characteristics that could be used to identify beneficiaries with the highest probability of acceptance, thereby reducing the State VRAs' cost to evaluate CDR mailer-referred VR candidates.

RECOMMENDATIONS

We recommend that SSA:

- establish new procedures which require that, within a reasonable time after a CDR mailer is received, a notification letter is sent to beneficiaries who express interest in rehabilitation services, advising them of services and contacts available locally; and

- re-establish procedures for making VRA referrals to State agencies from CDR mailers, but with improvements, such as: identifying beneficiaries likely to be accepted for services by State VRAs; or hiring a contractor to evaluate mailer referrals prior to referring cases to the State VRAs.

AGENCY COMMENTS

In response to our draft report, SSA officials disagreed with both of our recommendations. SSA stated that the CDR mailer is not an effective means of

identifying VR candidates and that it has developed better initiatives to ensure that interested beneficiaries receive rehabilitation and employment support services. (See Appendix C for SSA's comments on the findings and recommendations our draft report).

OFFICE OF THE INSPECTOR GENERAL RESPONSE

While SSA may have developed additional initiatives to enable interested beneficiaries to receive rehabilitation and employment support services, we believe these new initiatives complement rather than supersede the CDR mailer referrals. Accordingly, SSA should use the readily available information on the CDR mailer to provide timely assistance to those individuals who express an interest in VR services. In addition, to ask a beneficiary whether he or she wants rehabilitation assistance and then to not act on an affirmative reply is not in keeping with SSA's strategic objective to "…shape the disability program in a manner that increases self-sufficiency…" Finally, SSA's modifications to the CDR mailer have resulted in a significant decrease in requests for rehabilitation services. Further review of the response data should be made before SSA concludes that the CDR mailer is no longer a viable means to identify beneficiaries who may want rehabilitation services.

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INTRODUCTION

OBJECTIVE

The objective of this review was to assess the Social Security Administration's (SSA) use of the continuing disability review (CDR) mailer program as a tool for identifying candidates for vocational rehabilitation (VR) services. Specifically, we assessed whether individuals who expressed an interest in VR on a CDR mailer would have been accepted to enter rehabilitation programs by State vocational rehabilitation agencies (VRA) if SSA had referred them.

BACKGROUND

The Disability Insurance (DI) program was established in 1954 under title II of the Social Security Act. It was designed to provide benefits to disabled wage earners and their families. In 1972, Congress enacted the Supplemental Security Income (SSI) program under title XVI of the Social Security Act. The SSI program provides a minimal level of income to financially needy individuals who are aged, blind, or disabled.

A major objective of the disability program is to help restore disabled individuals to productive activities. Accordingly, all disability claimants are considered for referral to their State VRA for rehabilitation services. Vocational rehabilitation is defined as a process of restoring the handicapped individual to the fullest physical, mental, vocational, and economic usefulness of which the person is capable.[1] When an individual is being considered for services by a VRA, an evaluation of the person's vocational handicap, based on medical and vocational findings, is made by a rehabilitation counselor to determine eligibility for services. If the individual is eligible for services, the counselor and the client will work out a plan or program of rehabilitation.

Periodically, SSA is required to re-examine the medical condition of disabled beneficiaries. These re-examinations are called CDRs. CDRs determine whether individuals are still disabled and eligible for benefits. In the past, SSA performed medical CDRs by referring nearly all disabled individuals to State Disability Determination Services units for full medical evaluations.

Beginning in 1993, questionnaires called CDR mailers replaced full medical CDRs for some beneficiaries to increase the cost-effectiveness of the CDR process. SSA developed statistical formulas for estimating the likelihood of medical improvement and

[1] SSA's Program Operations Manual System, Section DI 13501.001.

subsequent benefit termination based on computerized beneficiary information such as age, impairment, length of time receiving disability benefits, and date of last CDR. When application of the formulas indicates a relatively low likelihood of benefit termination, SSA uses a CDR mailer. When the formula application indicates a relatively high likelihood of benefit termination, SSA uses a full medical CDR. For those who receive CDR mailers, SSA takes an additional step to determine whether responses to the CDR mailer, when combined with data used in the formulas, indicate that medical improvement may have occurred. In the small number of cases where this occurs, the beneficiary is also given a full medical CDR. For individuals who have responded to a CDR mailer and, based on a SSA Disability Examiner's review, are not referred for full medical CDRs, SSA sets a future CDR date. In Fiscal Years (FY) 1996 and 1997, SSA conducted 275,127 and 269,615 CDRs, respectively, through the mailer process. In accordance with a memorandum issued by the Commissioner in March 1998, SSA budgeted for 752,000 mailers for FY 1998 and 900,000 mailers per year for FYs 1999 through 2002.

Included in the CDR mailer is a question for the beneficiary regarding whether the individual would be interested in rehabilitation services. Before October 1997, the question was: "Would you be interested in receiving rehabilitation or other services that could help you get back to work?" Between December 1995 and December 1996, some 98,064 CDR mailer responders answered "Yes" to this question, or 36 percent of the responders. As of October 1997, the mailer was revised and the question now reads: "Would you be interested in receiving vocational rehabilitation and related services which can help you obtain employment?" Also, the question is now below the signature line on the mailer and not with the other questions related to whether the individual's medical condition has improved. Since the revised mailer was implemented, subsequently 483,192 individuals have responded to the mailer and 43,665 of those (or 9 percent) have responded "Yes" to the vocational rehabilitation question.

From the inception of the mailer until January 1996, SSA staff extracted "Yes" responses to this question and forwarded this information to the Office of Disability's Division of Employment and Rehabilitation, which was responsible for forwarding the information to State VRAs. In January 1996, SSA suspended its referral procedure, discontinuing the practice of referring beneficiaries who expressed an interest in rehabilitation on CDR mailers to State VRAs.

SCOPE AND METHODOLOGY

To accomplish our objective, we:

- obtained an extract of 98,064 CDR mailers received from December 1995 through December 1996 in which the beneficiary expressed an interest in rehabilitation services;

- conducted survey work at the Massachusetts Rehabilitation Commission;

- selected a random sample of 100 beneficiaries from each of 8 randomly selected States for a total sample size of 800 beneficiaries (see Appendix A for a description of our sampling methodology);

- submitted the selected beneficiary records to the selected State VRAs with requests for determinations of whether the beneficiaries would have been accepted for VR;

- randomly selected a ninth State to replace Texas, which was one of our originally selected eight States, but refused to participate in our review; and

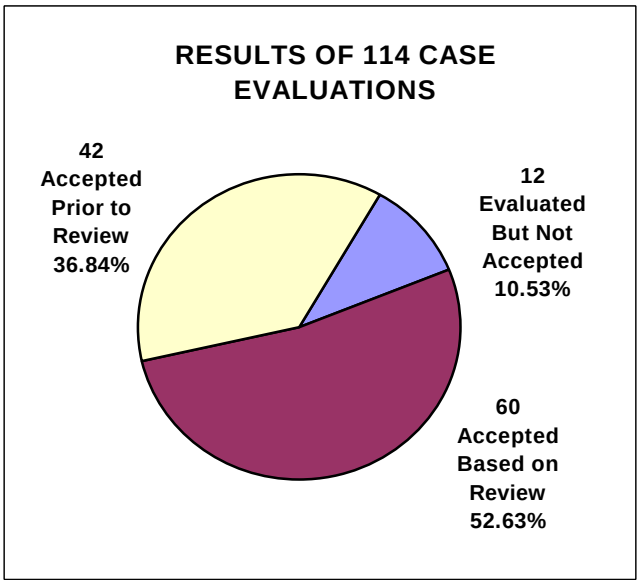
- computed the historical average rate of rehabilitation success for beneficiaries accepted for VR.

As our review of program performance was measured by the results of our substantive testing of sample cases, we did not place any reliance on internal controls. We conducted our review during the period of May 1997 to June 1998 in Boston, Massachusetts. This review was conducted in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

RESULTS OF REVIEW

VRA ACCEPTANCE OF MAILER REFERRALS

We selected a random sample of 800 beneficiaries, from the 98,064 beneficiaries who submitted CDR mailers requesting VR services between December 1995 and December 1996. State VRAs evaluated 114 (14 percent) of our sample of 800 beneficiaries and accepted 60 (7.5 percent) for rehabilitation services after the start of our review.[2] These individuals were not known to the VRAs prior to the start of our review period, December 1995. An additional 42 of these beneficiaries had been referred to and accepted by VRAs prior to December 1995, the start of our review period. These 42 beneficiaries were either already enrolled in a rehabilitation program, had completed a program and were working, or had started a program but had not been successfully rehabilitated. The remaining 12 of the 114 beneficiaries were evaluated for VR services, but were not accepted based on the respective VRA's criteria.



VRAs did not evaluate the remaining 686 (86 percent) of the sampled beneficiaries we referred. See Appendix B for details of these cases. Of the 686 beneficiaries:

- 329 did not respond to the VRA's letters and follow-up telephone calls;
- 192 responded to the VRA stating that they were not interested in rehabilitation services;

[2] SSA only reimburses State VRAs for costs related to SSA beneficiaries who are successfully rehabilitated. SSA considers a beneficiary to be successfully rehabilitated if, after completing a rehabilitation program, the beneficiary completes 9 months of substantial gainful activity (SGA), defined as earnings over $700 per month, except for cases involving blindness, for which SGA is defined by a higher level of earnings. Using vocational rehabilitation program data (regarding the number of beneficiaries accepted and rehabilitation costs reimbursed) published by SSA's Office of Disability, we estimate a success rate of 9.75 percent.

- 76 scheduled appointments with VRAs, but then did not attend their appointments and did not reschedule;

- 50 were not evaluated for a variety of reasons such as beneficiary death or having moved to another State since the time that SSA received their CDR mailers;

- 25 could not be located by VRAs because the beneficiaries' addresses and telephone numbers had changed since the time when SSA received their CDR mailers; and

- 14 were not referred to State VRAs because the beneficiaries were no longer receiving benefit payments at the time of our review.

At the exit conference, SSA officials stated that, after the start of our review, SSA conducted a study of CDR mailers referred to State VRAs in 1994. SSA's study found that .11 percent (15 out of 13,662) of the referrals were successfully rehabilitated. This success rate is lower than the results of our study. As part of our review, we did not: account for the differences in the success rates, verify the results of SSA's study, or compare the characteristics of the beneficiaries included in each study. SSA officials stated that our results were higher due to VRAs giving our referrals special handling because the referrals were part of an Office of the Inspector General study. However, we made every effort to have the State VRAs handle our referrals in their usual manner. Even if the actual success rate proves to be closer to that found in SSA's study, the lifetime savings realized would still be significant.

REFERRAL PROCESSING

The length of time between the beneficiaries' expressing interest in VR services and the VRAs attempt to contact the beneficiaries contributed to CDR mailer referrals not being cost-effective. One of the problems identified in our review was the length of time between the beneficiary returning a completed mailer to SSA and SSA's referral of the beneficiary to a VRA. Recent studies have shown that VR programs are most effective when candidates are referred soon after the onset of disability or request for services.[3] All of the VRAs included in our review reported difficulties contacting beneficiaries who, oftentimes, did not respond to VRAs' letters and follow-up telephone calls. Of the 800 beneficiaries we referred to VRAs, 686 were not evaluated for VR services. Of these 686, some 329 did not respond to VRA contacts and 25 could not be located.

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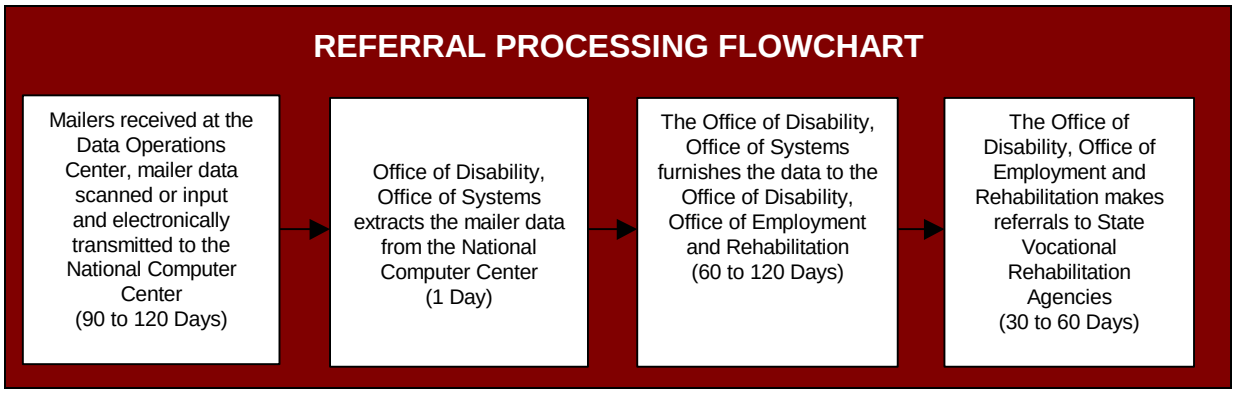
[3] See National Academy of Social Insurance, *Findings and Recommendations of the Disability Policy Panel: Balancing Security and Opportunity, The Challenge of Disability Insurance Policy*, January 1996; GAO/HEHS-96-62, *Social Security Disability: Program Redesign Necessary to Encourage Return to Work*, April 1996; and GAO/HEHS-96-133, *SSA Disability: Return-to-Work Strategies From Other Systems May Improve Federal Programs,* July 1996.

Before SSA suspended its VRA referral procedures, service delivery was impeded by untimely referrals. Due to delays in referring interested beneficiaries, VRAs were often unable to locate and establish contact with beneficiaries. SSA's procedures allowed between 181 and 301 days after receiving a CDR mailer to refer a beneficiary who had expressed an interest in services. This time lag also diminished the quality of referrals as beneficiaries' circumstances often change over time. The diminished quality of referrals was among the reasons why SSA suspended its CDR mailer referral program. The flow chart below illustrates the processing of these referrals.



CHARACTERISTICS OF BENEFICIARIES ACCEPTED

In January 1996, SSA suspended its procedures for forwarding CDR mailer information to State VRAs. As the reason for suspending these referrals, SSA officials cited anecdotal information from State officials that beneficiaries referred based on CDR mailers were not qualified candidates for rehabilitation. SSA officials also believed that many beneficiaries answered "Yes" to the rehabilitation question fearing that, if they did not do so, their benefits would be in jeopardy.

We analyzed the cases which were accepted for VR services to determine their characteristics. Our analysis of beneficiaries accepted for VR services indicated that mentally or psychologically impaired individuals comprised about 57 percent of our 800 sampled cases, but represented 80 percent of the 60 cases accepted for VR services. Our analysis of the 48 cases with a mental or psychological impairment showed that beneficiaries with the greatest potential for acceptance by State agencies for VR services were between 30 and 50 years old and had been receiving disability benefits less than 20 years.

Concern on the part of State VRAs about the cost-effectiveness of evaluating CDR mailer-referred VR candidates could be addressed by identifying specific characteristics unique to beneficiaries who are good candidates for VR services. Our analysis found that cases accepted for VR services share some characteristics that are different from the average beneficiary in our overall sample. In our sample, the category of beneficiaries with the highest rate of acceptance for VR services by State

VRAs were mentally or psychologically impaired beneficiaries with the primary Diagnosis (DIG) codes 2950, 2953, 2960, 3170 and 3180.

Beneficiary Characteristics

DIG CODE	60 ACCEPTED CASES	800 SAMPLE CASES
DIG 2950	18.33%	14.25%
DIG 2953	5.00%	1.25%
DIG 2960	21.67%	20.00%
DIG 3170	6.67%	2.13%
DIG 3180	28.33%	19.13%
Total	**80.00%**	**56.76%**

CODE	DIAGNOSIS IMPAIRMENT CODE DEFINITIONS
2950	Schizophrenic Disorders - Simple Type
2953	Schizophrenic Disorders - Paranoid Type
2960	Affective Disorders (emotional problems)
3170	Mild Mental Retardation
3180	Mental Retardation

Characteristics of the 48 Beneficiaries with Specific Diagnosis Codes

CHARACTERISTIC	PERCENTAGE
Male	47.92
Female	52.08
Age 20-29	8.33
Age 30-39	29.17
Age 40-49	45.83
Age 50-60	16.67
Receiving Benefits 00-09 Years	52.09
Receiving Benefits 10-19 Years	45.83
Receiving Benefits 20-30 Years	2.08

State VRAs expend substantial resources evaluating VR candidates. As discussed previously, SSA does not reimburse VRAs unless a beneficiary successfully completes a rehabilitation program and continues in SGA for 9 months. The reimbursement criteria causes concern on the part of VRA officials about the cost-benefit of expending resources on evaluating CDR mailer-referred VR candidates. SSA could address this concern by ensuring that only the beneficiaries with the highest probability of acceptance are referred.

CONCLUSIONS AND RECOMMENDATIONS

The CDR mailer program can be a valuable tool for identifying viable candidates for VR services. Further, State VRAs would accept a significant number of disabled beneficiaries who requested VR services on their CDR mailers if SSA were to refer them. Under its prior methodology and mailer design, SSA officials concluded that referring individuals requesting VR on a CDR mailer was not efficient. We believe, however, that with improvements to the process, these referrals can be cost-effective and result in significant cost savings.

SSA has already taken steps to improve the quality of CDR mailer VR referrals. In this regard, SSA revised the CDR mailer in 1997, so that the question regarding VR services is worded differently and not in the same location as other questions related to the beneficiary's medical condition. As stated previously, after making this change, the number and percentage of beneficiaries answering "Yes" to the VR question dropped significantly. This decrease in the percentage of beneficiaries requesting VR services should help SSA in identifying those individuals most likely to be good candidates for VR referral. Further, ensuring that only the beneficiaries with the highest probability of acceptance are referred by SSA could reduce the State VRA's cost of evaluating CDR mailer-referred VR candidates.

We recommend that SSA take the following actions:

1. Establish new procedures requiring that, within a reasonable time after a CDR mailer is received, a notification letter is sent to beneficiaries who express interest in rehabilitation services, advising them of services and contacts available locally.

2. Re-establish procedures for making VRA referrals to State agencies from CDR mailers, but with improvements, such as: identifying beneficiaries likely to be accepted for services by State VRAs; or hiring a contractor to evaluate mailer referrals prior to referring cases to the State VRAs.

AGENCY COMMENTS

In response to our draft report, SSA officials disagreed with both of our recommendations. SSA stated that the CDR mailer is not an effective means of identifying VR candidates and that it has developed better initiatives to ensure that interested beneficiaries receive rehabilitation and employment support services. These initiatives include a self-referral process that allows beneficiaries who are interested in VR to advise SSA at any time of their interest in VR services. SSA has also instituted an alternate participant process whereby a private provider is used if State vocational

rehabilitation agencies do not provide timely services. In addition, SSA noted that the Work Incentives Improvement Act of 1999, approved by the Senate and the House of Representatives in 1999, will among other things allow SSA to implement the Ticket to Work and Self-Sufficiency Program. SSA stated that program will enable beneficiaries to obtain VR services from an approved provider of their choice, either public or private, when they are ready to participate. (See Appendix C for SSA's comments on the findings and recommendations in our draft report).

OFFICE OF THE INSPECTOR GENERAL RESPONSE

While SSA may have developed additional initiatives to enable interested beneficiaries to receive rehabilitation and employment support services, we believe the new initiatives complement rather than supersede the CDR mailer referrals. In addition, SSA's principle initiatives are not yet fully operational and will require self-referral on the part of the beneficiaries when implemented. SSA should be more pro-active in identifying and encouraging individuals who may be able to take advantage of rehabilitation and employment support services. Accordingly, SSA should use the readily available information on the CDR mailer to provide timely assistance to those individuals who express an interest in VR services.

To ask a beneficiary whether he or she wants rehabilitation assistance and then to not act on an affirmative reply is not in keeping with SSA's strategic objective to "…shape the disability program in a manner that increases self-sufficiency…"[4] As noted in our report, SSA's modification of the mailer removed the implication that the beneficiary had to apply for rehabilitation services in order to continue to receive benefits and resulted in a significant decline in the request for rehabilitative services. To assume that the CDR mailer is no longer a viable means to identify beneficiaries who may want rehabilitation services without further study is not consistent with SSA's stated strategic objective.

[4] SSA's Performance Plan for FY 2000 states that one of its strategic objectives is to "Promote policy changes, based on research, evaluation and analysis." In order to meet this objective, SSA notes it will "…shape the disability program in a manner that increases self-sufficiency and takes account of changing needs, based on medical, technical, demographic, job market, and societal trends."

APPENDICES

SAMPLING METHODOLOGY

We obtained a listing of all continuing disability review (CDR) mailers received by the Social Security Administration (SSA) from beneficiaries nationwide during the period December 1995 through December 1996 in which the beneficiary responded "YES" to question 7, "Would you be interested in receiving rehabilitation or other services that could help you get back to work?"

This extract resulted in 98,064 mailers from all CDR mailers processed during this period. We do not know the exact total of CDR mailers processed between December 1995 and December 1996, but in Fiscal Year 1996, SSA processed 275,127 CDR mailers. Our analysis was based on a sample of 800 cases. First, we randomly selected 8 of the 52 States or State equivalents (i.e., Washington, D.C. or Puerto Rico). Next, we randomly selected 100 cases from each of the selected States. The tables below provide a summary of our sampling methodology.

	Population Size	**Sample Size**	**Number of Sample Cases Accepted for Rehabilitation**
Strata 1 Arizona	1,357	100	4
Strata 2 District of Columbia	298	100	17
Strata 3 Indiana	1,948	100	6
Strata 4 Minnesota	955	100	9
Strata 5 New Mexico	726	100	4
Strata 6 South Carolina	1,780	100	1
Strata 7 South Dakota	206	100	8
Strata 8 Vermont	272	100	11
Total	**7,542**	**800**	**60**

During 1990 through 1995, some 396,662 SSA beneficiaries were accepted by State agencies for vocational rehabilitation services. Of those beneficiaries accepted for services, SSA reimbursed vocational rehabilitation agencies for the costs to rehabilitate 38,675 beneficiaries. Using these numbers, we estimated that 9.75 percent of beneficiaries accepted for services are successfully rehabilitated.

SAMPLE RESULTS

	AZ	DC	IN	MN	NM	SC	SD	VT	Total
Accepted By State Agency Prior To Mailer Referral	2	3	8	11	7	4	2	5	**42**
Mailer Referrals Accepted For Services	4	17	6	9	4	1	8	11	**60**
Evaluated But Not Accepted For Services	0	0	1	0	6	5	0	0	**12**
Did Not Respond	32	0	55	61	29	14	56	82	**329**
Responded – Not Interested	29	29	22	3	43	45	21	0	**192**
No Show For Appointment	22	38	0	0	0	16	0	0	**76**
Other Cases Not Accepted	6	8	5	0	11	8	11	1	**50**
Could Not Locate	2	3	0	15	0	5	0	0	**25**
Not Referred-Non-Current Beneficiary	3	2	3	1	0	2	2	1	**14**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**800**

AZ Arizona
DC District of Columbia
IN Indiana
MN Minnesota
NM New Mexico
SC South Carolina
SD South Dakota
VT Vermont

AGENCY COMMENTS

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "BENEFICIARIES EXPRESSING INTEREST IN VOCATIONAL REHABILITATION SERVICES THROUGH A CONTINUING DISABILITY REVIEW MAILER" (A-01-97-61004)

We appreciate the opportunity to review and comment on this draft report. The report focuses on SSA's use of the continuing disability review (CDR) mailer as a means of identifying beneficiaries who are interested in vocational rehabilitation (VR). In January 1996, SSA discontinued using the mailer to identify potential VR candidates because experience has shown that it is not an effective method based on our findings that only .11 percent of referrals were successfully rehabilitated (as defined by SSA's criteria of nine months of Substantial Gainful Activity.)

We note that OIG's study results with regard to genuine interest in VR services paralleled SSA's experience. Of the 800 beneficiaries selected for the study who expressed an interest in VR services via CDR mailer, 597 (75 percent) were not evaluated by the State vocational rehabilitation agencies (VRA) for reasons that indicate lack of interest—329 did not respond to letters and telephone calls; 192 responded that they were not interested; and 76 scheduled appointments but did not attend or reschedule. It seems reasonable to conclude that the overwhelming number of persons in the study group did not really desire VR services despite their affirmative reply on the CDR mailer questions.

Also, we believe the results on the rate of acceptances are somewhat diminished because the sample was not completely random. The State of Texas refused to participate and is excluded from the calculation. Since Texas is large and the sample States are small, an appropriately weighted sample would make the results even less effective. We also believe acceptance of the cases by the VRAs was likely influenced by the fact that OIG was making the referral.

SSA has developed other more effective initiatives to identify interested beneficiaries, including a self-referral process which allows beneficiaries to ask SSA to coordinate VR services at any time instead of being limited to when a medical decision is being made. We believe this process is superior to having the beneficiary use the mailer to indicate interest because it allows individuals to request services whenever they are ready to participate. In addition, it enlarges the pool of candidates because it is available to all disabled beneficiaries, not just those

selected for medical reviews or those falling into limited diagnostic categories. We have acknowledged the issue of timeliness by expanding the community of VR providers available by implementing the alternate participant process. If State VRAs do not provide services timely a private provider, known as an alternate participant, is used.

Other major initiatives are encompassed in the Work Incentives Improvement Act of 1999. The Act, passed by the Senate in June 1999 and being considered by the House of Representatives, will, among other things, enable beneficiaries to participate in VR services from an approved provider they choose, either public or private, when they are most ready.

Recommendation

Establish new procedures requiring that, within a reasonable time after a CDR mailer is received, a notification letter is sent to beneficiaries who express interest in rehabilitation services, advising them of services and contacts available locally.

Comment

We do not agree. Experience has shown the CDR mailer is not an effective means of identifying VR candidates. As described above, SSA has developed better initiatives to ensure interested beneficiaries receive rehabilitation and employment support services.

Recommendation

Re-establish procedures for making VR referrals to State agencies from CDR mailers but with improvements such as: identifying beneficiaries likely to be accepted for services by State VRAs; or hiring a contractor to evaluate mailer referrals prior to referring cases to the State VRAs.

Comment

We do not plan to use the mailer for the reasons stated above.

Other Comments

We share OIG’s concern for improving outreach efforts and for better targeting of efforts to those beneficiaries most likely to desire, participate, and succeed in VR. Provisions of the Work Incentives Improvement Act of 1999 are designed with these concerns in mind and we feel represent better opportunities for success than any derivative of the CDR mailer.

We also note that the report does not provide a cost-benefit ratio for VR referrals based on CDR mailer information. The report also makes the assumption that more timely referrals will result in more cases being evaluated by VR agencies but does not provide any data to support this. In addition, study cases were not tracked to determine actual success rate.

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APPENDIX E

SSA ORGANIZATIONAL CHART