

Social Security Administration September 2016
Annual Report on Section 234 Demonstration Projects

Section 234 of the Social Security Act (Act) gives us the authority to conduct research and demonstration projects designed to test Disability Insurance program changes that may encourage disabled beneficiaries to work. Congress extended this authority through December 31, 2022, in the Bipartisan Budget Act (BBA) of 2015. Section 234 of the Act requires us to report annually to Congress by September 30 of each year on the progress of the experiments and demonstration projects that we carry out under this authority. This report presents the status and findings on our current project funded under Section 234 of the Act—the Benefit Offset National Demonstration (BOND) project—and our plans for a new demonstration project mandated by the BBA—the Promoting Opportunity Demonstration (POD).

We are also providing our follow-up research accomplishments and plans on four completed projects funded under Section 234 of the Act. They are:

- Youth Transition Demonstration (YTD);
- Benefit Offset Pilot Demonstration (BOPD);
- Accelerated Benefits Demonstration (AB); and
- Mental Health Treatment Study (MHTS).

Benefit Offset National Demonstration

We designed BOND to test the effectiveness of benefit offset and enhanced benefit counseling to address the low rate of return to work among Social Security Disability Insurance (SSDI) beneficiaries. BOND replaces the complete loss of cash benefits that occurs when a beneficiary performs substantial gainful activity (SGA) with a more gradual reduction in benefits. Under current SSDI rules, beneficiaries who are disabled may work up to nine months, called a trial work period (TWP), while they continue to receive benefits, regardless of how much they earn. After the 9-month TWP, the beneficiary begins a 36-month extended period of eligibility (EPE). During the EPE, beneficiaries who work at the SGA level will lose their entire monthly payments, except for the first three months (called the grace period) in which they continue to receive full benefits.

In the BOND project, we are testing the effect of an alternative to withholding full benefits when beneficiaries perform SGA during the EPE. When participants perform SGA after the TWP and the three-month grace period, we reduce their benefits by \$1 for every \$2 that their earnings exceed the annualized SGA threshold amount.

Project Background

The Ticket to Work Incentives Improvement Act of 1999 directed us to conduct a benefit offset demonstration for SSDI. We awarded a design contract for this project to Abt Associates (Abt) in 2004. Abt successfully completed the design contract tasks in September of 2008 at a cost of approximately \$10 million. We then used a full and open competition procurement process that resulted in a nine-year implementation and evaluation contract award to Abt in December 2009.

The estimated cost of this contract is approximately \$121 million. We published a notice in the *Federal Register* announcing the BOND project in November 2010 (75 FR 71171).

Testing BOND

Abt is implementing the various treatments of the benefit-offset program for SSDI-only beneficiaries and concurrent beneficiaries (i.e., those who receive both SSDI and Supplemental Security Income (SSI) benefits based on disability) in 10 sites around the country. We selected these sites based on the geographic areas supported by our area offices within the regions.

The BOND project has two stages. Offset treatment participants in both Stage One and Stage Two will participate in BOND for a maximum of 60 months upon completion of a TWP. Participants must complete the TWP on or before September 30, 2017, to qualify for the project. Abt will evaluate the effectiveness of all of these treatment groups by comparing employment status, earnings, and benefits paid across the different groups.

- **Stage One:** 968,713 beneficiaries (non-volunteers) assigned to two groups
 - \$1 for \$2 offset only for a five year period, or
 - Control (no offset)
- **Stage Two:** 12,744 beneficiaries (volunteers) assigned to three groups
 - \$1 for \$2 offset only, or
 - \$1 for \$2 offset with Enhanced Work Incentives Counseling, or
 - Control (no offset)

Progress to Date

Enrollment closed in September 2012, successfully concluding an 18-month period of recruitment for the demonstration, and the project is approximately three-quarters of the way into its field implementation. We are providing ongoing treatment services such as work incentives counseling (WIC) and enhanced work incentives counseling (EWIC), and helping beneficiaries use the offset.

Findings

As of January 2016, early effect estimates from the \$1 for \$2 offset indicate:

- 3,211 BOND participants have been in offset for one month or more;
- No evidence of increased work activity at this time;
- Strong evidence of increases in benefits paid; and
- From the small volunteer group as of 2013:
 - No detectable evidence of increased work activity;
 - No detectable evidence of increased benefits paid; and
 - No evidence that enhanced counseling services are superior to current services.

Data Collection

- Baseline surveys and 12-month surveys complete;

- 36-month surveys complete; and
- Process evaluation is ongoing, including focus groups and interviews with staff and beneficiaries.

Reports

The following reports are available on our agency BOND website at www.socialsecurity.gov/disabilityresearch/offsetnational.htm.

- BOND Stage-1 Early Assessment Report;
- BOND Stage-1 First-Year Snapshot Report;
- BOND Stage-1 Second-Year Snapshot Report;
- BOND Stage-1 Third-Year Snapshot Report;
- BOND Stage-2 Early Assessment Report;
- BOND Stage-2 First and Second Year Snapshot Report; and
- BOND Process Analysis Report.

Next Steps

BOND continues to provide offsets and benefits counseling services.

We expect the following reports in 2016.

- BOND Stage-1 Interim Process, Participation, and Impact Report; and
- BOND Stage-2 Interim Process, Participation, and Impact Report.

Promoting Opportunity Demonstration

Section 823 of the BBA of 2015 amended Section 234 of the Act by instructing our agency to carry out a demonstration project testing a new \$1 for \$2 benefit offset. We must apply the offset to earnings above either a standard threshold (determined by the Commissioner) or an itemized Impairment-Related Work Expenses (IRWE) level. Further, the BBA states that we may terminate benefits once benefits reach \$0 under the offset; however, a beneficiary whose benefits are terminated will maintain Medicare Part A benefits for a period of no longer than 93 months after termination, or until he or she medically improves. Participation in this demonstration (called POD) must be voluntary and individuals can withdraw from the project. POD must begin no later than January 1, 2017, and will last for five years.

Progress to Date

We are currently designing POD and plan to award contracts by January 1, 2017. Because we are still in the pre-procurement phase, we cannot include detailed or definitive information about the demonstration in this report. However, we anticipate awarding two separate contracts for POD—one for implementation and one for evaluation. The evaluation contractor will recruit beneficiaries and randomly assign them into one of three groups. The control group will be subject to current program rules. The first treatment group will be eligible for the offset, and if

benefits are offset and reduced to \$0 for 12 consecutive months, we will terminate benefits. The second treatment group will also be eligible for the offset, but we will not terminate benefits due to income from work.

The implementation contractor will work with State vocational rehabilitation agencies to provide benefits counseling and submit earnings and IRWEs to our agency. We will use the reported information to adjust benefits monthly.

We held a Technical Expert Panel on April 25, 2016 to discuss the feasibility of POD, general POD policy and design, and lessons learned from BOPD, BOND, and other demonstrations. On April 13, 2016, we issued a Request for Information on FedBizOpps to solicit similar information from a wider pool of potential contractors and others interested in POD. On August 1, 2016, we issued a Request for Proposals on FedBizOpps for the contract to evaluate POD.

Next Steps

We will award the contracts in the first quarter of fiscal year 2017. Over the next year, we will finalize the business processes and systems needed to implement POD.

Youth Transition Demonstration

YTD is a research study that evaluated the effects of enhanced youth transition programs and modified SSI rules (waivers) on youths between the ages of 14 and 25 who have disabilities. YTD projects included service delivery systems and a broad array of services and supports to assist youth with disabilities in their transition from school to employment and to help them gain economic self-sufficiency.

Project Background

YTD began in 2003, with seven projects in six States (California, Colorado, Iowa, Maryland, and Mississippi each having one, and two projects in New York). Maryland and Iowa terminated early, while California and Mississippi completed their participation. In 2007, we piloted three new projects: one in Florida, one in Maryland, and one in West Virginia. Combined with the three projects that were still running from the original seven (one in Colorado and two in New York), we had a total of six projects in place. These projects produced the first evaluation of the empirical evidence of the effects of youth transition programs and modified SSI work incentives.

The modified SSI program rules that we tested under YTD included the following five program waivers.

- We continued paying benefits for as long as the individual continued to be a YTD participant, despite the finding of a continuing disability review or an age-18 medical redetermination that an individual is no longer eligible for benefits.
- We applied the student earned income exclusion (section 1612(b)(1) of the Act), which normally applies only to students who are age 21 or younger, to all participants who met school attendance requirements.

- We expanded the general earned-income exclusions guidelines. The general earned-income exclusions (section 1612(b)(4) of the Act) permit the exclusion of \$65 plus half of what an individual earns in excess of \$65; however, for YTD, we excluded the first \$65 plus three-fourths of any additional earnings.
- We extended the SSI program’s treatment of federally supported Individual Development Accounts (IDA) to IDAs that do not involve Federal funds.
- We modified the guidance pertaining to development of a plan to achieve self-support (PASS). Ordinarily, a PASS must specify an employment goal that refers to getting a particular kind of job or starting a particular business. For YTD, we approved an otherwise satisfactory PASS that had either career exploration or postsecondary education as its goal. Income and assets that an individual used for PASS expenses did not count when we determined SSI eligibility and payment amount.

Findings

YTD projects in Colorado and New York ended in 2010, while the Florida, Maryland, and West Virginia projects ended in 2012.

We subsequently released the following papers and reports:

- 12-month, post-random-assignment reports for all the sites to the general public;
- 24-month, post-random-assignment report covering all the sites in the February 2014 edition of the *Social Security Bulletin*; and
- Comprehensive final report of the six random assignment projects to our website in November 2014.

This demonstration produced mixed evidence on whether YTD effects on paid employment are sustainable. Two of the six projects (Florida and Bronx County, New York) showed an increase in employment three years after random assignment. New York showed positive effects on paid employment during the year after participants entered the evaluation. In Florida, 23 percent of participants in the program group worked for pay during that year, compared with just 13 percent of control group members. In the Bronx, 33 percent of program group members had paid employment, compared with 25 percent of the control group members. Because several youths took advantage of the modified program rules (listed in bullets above), participants of five of the six projects had higher total income from earnings and disability benefits in the third year after random assignment. These effects ranged from \$1,010 higher total income in West Virginia to \$1,729 higher total income in Bronx, New York. YTD showed that substantial doses of well-designed service to youth with disabilities can improve key transition outcomes in the medium term. We will follow participants using administrative data and conduct cost-benefit-analyses at specified periods, such as 5 and 10 years, to test the longer-term outcomes of these projects.

Our findings from YTD influenced the development of another project titled, “Promoting Readiness of Minors in SSI” (PROMISE), a joint initiative involving our agency, and the Departments of Education, Health and Human Services, and Labor. PROMISE funds model demonstration projects in several States to promote positive outcomes for children with disabilities who receive SSI and their families.

Next Steps

We continue to work independently, and with our contractors, to produce policy briefs and research articles. To learn whether the interventions led to longer-term effects, we plan to re-analyze the data over the next year. This analysis will provide evidence on any employment and program participation effects 5-7 years after enrollment. We present our findings at conferences, policy forums, and to other Federal agencies. Below is a brief summary of our research products and presentations.

Research Products

1. Fraker, T. & Rangarajan, A. (2009). "The Social Security Administration's youth transition demonstration projects." *Journal of Vocational Rehabilitation*, 30, 223-240.

This article describes the motivations for YTD, the study design, and the expected effects. The authors also provide an overview of each of the random-assignment sites.

<http://www.mathematica-mpr.com/~media/publications/PDFs/disability/SSAyouth.pdf>

2. Luecking, R.G. & Wittenburg, D. (2009). "Providing supports to youth with disabilities transitioning to adulthood: Case descriptions from the Youth Transition Demonstration." *Journal of Vocational Rehabilitation*, 30, 241-251.

This article describes the variety of YTD intervention components. The authors also provide case studies describing how some individuals participating in YTD used these interventions.

<http://www.mathematica-mpr.com/~media/publications/PDFs/disability/providingsupports.pdf>

3. Croke, E.E. & Thompson, A.B. (2011). "Person centered planning in a transition program for Bronx youth with disabilities." *Children and Youth Services Review*, 33, 810-819.

This paper describes the City University of New York's YTD project, focusing on the person-centered planning offered to treatment youths. The findings indicate that youths who participated in person-centered planning were more likely to hold at least one paid job. The article also provides recommendations to practitioners implementing person-centered planning.

www.sciencedirect.com/science/article/pii/S019074091000383X

4. Fraker, T. (2011). "The Youth Transition Demonstration: Interim Findings and Lessons for Program Implementation." Center for Studying Disability Policy Issue Brief Number: 11-04.

This brief provides an overview of YTD projects and summarizes the one-year effects for the Phase One sites (Colorado, Bronx, New York, and Erie, New York).

<https://www.mathematica-mpr.com/our-publications-and-findings/publications/the-youth-transition-demonstration-interim-findings-and-lessons-for-program-implementation>

5. Fraker, T. (2013). “The Youth Transition Demonstration: Lifting Employment Barriers for Youth with Disabilities.” Center for Studying Disability Policy Issue Brief Number: 13-01.

This brief provides an overview of YTD projects and summarizes the one-year employment effects for all sites, focusing on the relationship between employment services receipt and actual employment.

<https://www.mathematica-mpr.com/our-publications-and-findings/publications/the-youth-transition-demonstration-lifting-employment-barriers-for-youth-with-disabilities>

6. Bucks Camacho, C. & Hemmeter, J. (2013). “Linking Youth Transition Support Services: Results from Two Demonstration Projects.” *Social Security Bulletin*, 73, 59-71.

This article presents an overview of two of the original YTD projects: California’s Bridges to Youth Self-Sufficiency and Mississippi’s Model Youth Transition Innovation. The authors describe these projects and the participants and report SSDI and SSI receipt and earnings up to five years after participation.

www.socialsecurity.gov/policy/docs/ssb/v73n1/v73n1p59.html

7. Hemmeter, J. (2014). “Earnings and Disability Program Participation of Youth Transition Demonstration Participants after 24 Months.” *Social Security Bulletin*, 74, 1-25.

This article presents earnings and disability program payment outcomes for youths participating in all six YTD projects in the two years after random assignment.

8. Fraker, T., Mamun, A., & Timmins, L. (2015). “Three-Year Impacts of Services and Work Incentives on Youth with Disabilities.” Center for Studying Disability Policy Issue Brief .

This brief summarizes the effects on employment three years following study enrollment.

www.disabilitypolicyresearch.org/~media/publications/pdfs/disability/ytd_3yrimpact_ib.pdf

9. Fraker, T., Luecking, R., Mamun, A., Martinez, J., Reed, D., & Wittenburg, D. (2016). “An Analysis of 1-Year Impacts of Youth Transition Demonstration Projects.” *Career Development and Transition for Exceptional Individuals*, vol. 39, no. 1.

This article examines the effects of YTD. Based on a random assignment design, the analysis uses data from a 1-year follow-up survey and our administrative records for 5,203 youth in six research sites to estimate demonstration effects. Three of the six demonstration projects had positive effects on the rate at which youth were employed during the year after they entered the evaluation. Those effects were concentrated in sites where the projects provided more hours of services, counterfactual services were weak, and the target population of youth had more severe disabilities.

<http://cde.sagepub.com/content/early/2014/10/08/2165143414549956.abstract>

Presentations

In an effort to share our findings with policymakers, we present our YTD findings at a variety of conferences and other arenas including:

- Mathematica Disability Policy Forums in 2011 and 2013;
- Association for Public Policy Analysis and Management annual conference, November 2013;
- Division on Career Development and Transition conference, November 2012;
- Welfare Research and Evaluation conference, May 2013;
- National Transition conference, May 2012; and
- Pathways to Adulthood conference, June 2012.

Benefit Offset Pilot Demonstration

Even though we completed the four-State (Connecticut, Utah, Vermont, and Wisconsin) BOPD, we continue to disseminate the findings to policymakers.

In BOPD, we tested the feasibility of a national demonstration providing a \$1 reduction in SSDI benefits for every \$2 in earnings, in combination with employment supports. We did not design the pilot to provide nationally representative estimates. The project provided beneficiaries with a gradual reduction in their benefits, eliminating the normal sudden loss of cash benefits in the SSDI program when a beneficiary works and has earnings over a specified amount. The demonstration provided us with preliminary evidence of the potential for a benefit offset national demonstration to increase work and earnings among a select group of volunteers.

We completed the BOPD evaluation in 2010 and the four States in the pilot have all submitted their final reports. These reports are available at:

www.socialsecurity.gov/disabilityresearch/offsetpilot.htm.

Additional Research

While we completed the evaluation in 2010, we have used the data collected from the project to provide new information to researchers and policymakers. We do not have plans to pursue future research on the BOPD.

Research Products

1. Tremblay, T., Porter, A., Smith, J., & Weathers, R. (2011). "Effects on Beneficiary Employment and Earnings of a Graduated \$1-for-\$2 Benefit Offset for Social Security Disability Insurance." *Journal of Rehabilitation*, April-June 2011.

This study evaluated effects of BOPD on the employment and earnings levels of participants in Vermont. The study uses a randomized trial in which we randomly assigned volunteers either to a group receiving the benefit offset or to a control group. The findings demonstrate

that an SSDI benefit offset can have a significant and enduring effect on the SGA earnings rate of certain beneficiaries, but that the effect may be limited to a subset of individuals and may increase when paired with healthcare protection. Specifically, the effect was large among SSDI beneficiaries participating in the Vermont Medicaid buy-in program. The New York Times Economix blog titled, “Moving from Disability Benefits into Jobs” featured this study (http://economix.blogs.nytimes.com/2011/04/07/moving-from-disability-benefits-to-jobs/?_php=true&_type=blogs&_r=0).

2. Weathers II, R.R. & Hemmeter, J. (2011). “The Impact of Changing Financial Work Incentives on the Earnings of Social Security Disability Insurance (SSDI) Beneficiaries.” *Journal of Policy Analysis & Management*, vol. 30, no. 4.

This study uses our administrative data to examine the effect of the BOPD on the employment, earnings, and benefits paid to SSDI beneficiaries in all four States. The authors show that the benefit offset policy led to a 25 percent increase in the percentage of beneficiaries in the benefit-offset group with earnings above the annualized SGA amount, or \$11,760 in 2009 dollars. However, the benefit offset actually increased benefit payments in the short run. Some members of the benefit-offset group would have their benefits suspended due to work activity under the existing rules. Under the benefit offset, they received a partial benefit payment. The benefit payments made to this group under a benefit-offset policy were larger than the reductions in benefit payments due to increased SGA under the benefit offset. While it is unclear whether this result would hold for a broader population of beneficiaries if they were to become eligible for a benefit-offset policy, the results point to another potential cost of implementing a national policy.

www.onlinelibrary.wiley.com/doi/10.1002/pam.20611/pdf

3. Chambliss, C., Julnes, G., McCormick, S., & Reither, A. (2011). “Supporting Work Efforts of SSDI Beneficiaries: Implementation of the Benefit Offset Pilot Demonstration.” *Journal of Disability Policy Studies*, vol. 22, no. 3.

This paper focuses on the Utah pilot results. The authors report positive effects of the policy on employment outcomes for certain groups of participants. They focus on lessons learned in Utah for implementing policy initiatives with vulnerable populations (e.g., individuals with disabilities). These lessons learned are in partnering among service agencies, enhancing communication, and implementing policy innovations in complex policy environments.

<http://dps.sagepub.com/content/22/3/179.abstract>

4. Delin, B.S., Hartman, E.C., and Sell, C.W. (2015). “Given Time It Worked: Positive Outcomes From a SSDI Benefit Offset Pilot After the Initial Evaluation Period.” *Journal of Disability Policy Studies*, vol. 26, no. 3.

This paper focuses on the Wisconsin pilot results. The authors followed participants after the pilot study period and found differences in subgroups defined by use of the TWP. While these results are unique to Wisconsin, the results suggest that it may take time for the national demonstration to measure effects.

Accelerated Benefits Demonstration

Even though we completed AB in 2011, we continue to track the long-term effects of the demonstration. We developed AB to study the effects of offering newly entitled SSDI beneficiaries health insurance and employment services during the 24-month Medicare waiting period. AB provided information on the effects of altering the 24-month waiting period for hospital insurance benefits under Section 226 of the Act. It also provided information on the effects of programs that develop, perform, and otherwise stimulate new forms of rehabilitation. While not part of the original design, AB provided information on the potential effects of the Patient Protection and Affordable Care Act on individuals eligible for SSDI benefits.

The primary aim of AB was to identify the effect of health insurance coverage on the health, employment, earnings, and economic self-sufficiency of newly entitled SSDI beneficiaries who lacked health insurance coverage during the Medicare waiting period. A secondary aim was to estimate how adding rehabilitation and counseling services might increase the employment, earnings, and economic self-sufficiency of participants.

The project included three randomly assigned groups of newly entitled beneficiaries:

- AB group that received a health insurance package;
- AB Plus group that received the health insurance package plus additional rehabilitation and counseling services; and
- A control group.

The additional rehabilitation and counseling services that we provided to AB Plus participants addressed the barriers that some newly entitled beneficiaries face as they attempt to return to work.

Specifically, AB Plus participants received:

- Medical care management along with the health insurance package to treat or stabilize their disabling health condition;
- A program called the Progressive Goal Attainment Program to encourage them to participate in activities that will eventually lead to work; and
- Employment and benefits counseling services to inform them of employment services and programs.

The results from AB show that providing health insurance for newly entitled beneficiaries can lead to an increase in health care use, a reduction in unmet medical needs, and improved health; however, the results do not show any effect on short-term mortality. Additional rehabilitative services provided to these beneficiaries led to increased use of employment services and slight increases in employment and earnings levels.

We completed AB in January 2011. The final report is available at:
www.socialsecurity.gov/disabilityresearch/factsheets/accelerated.htm.

Additional Research

In addition to a final report, we worked with our contractors to produce policy briefs and research articles. We also presented our findings at conferences, policy forums, and other agencies. The following is a summary of our research products and presentations.

Research Products

1. Wittenburg, D., Baird, P., Schwartz, L., & Butler, D. (2008). "Health Benefits for the Uninsured: Design and Early Implementation of the Accelerated Benefits Demonstration." MDRC Policy Brief, New York: MDRC.

This brief provides an overview of AB and describes findings from the initial phase of enrollment from October and November 2007 and plans for full implementation.

www.socialsecurity.gov/disabilityresearch/documents/Accelerated%20Benefits%20--%20Early%20Findings.pdf

2. Wittenburg, D., Warren, A., Peikes, D., & Freedman, S. (2010). "Providing Health Benefits and Work-Related Services to Social Security Disability Insurance Beneficiaries: Six-Month Results from the Accelerated Benefits Demonstration." MDRC Policy Brief, New York: MDRC

This brief describes the sample selected for the project and the effects on health care use and unmet medical needs during the first six months. The findings indicate that the intervention increased the use of health care services and reduced the reported unmet health care needs of the project participants.

www.socialsecurity.gov/disabilityresearch/documents/AB_brief_2_final.pdf

3. Weathers II, R.R., Silanskis, C., Stegman, M., Jones, J., & Kalasunas, S. (2010). "Expanding Access to Health Care for Social Security Disability Insurance Beneficiaries: Early Findings from the Accelerated Benefits Demonstration." *Social Security Bulletin*, 70, 25-47.

This paper describes the logic model and recruitment process for AB. It also provides additional findings from a survey conducted six months after enrollment into the project. The findings from a survey conducted six months after enrollment indicate that AB increased access to health services, but that some participants in the control group were able to obtain health care coverage during the six-month period. The report also provides evidence that AB participants were very satisfied with the AB health plan and the other services provided as part of the project. The paper provides the public with information on the design and early implementation experience from the project.

www.socialsecurity.gov/policy/docs/ssb/v70n4/v70n4p25.pdf

4. Michalopoulos, C., Wittenburg, D.C., Israel, D.A.R., & Warren, A. (2012). "The Effects of Health Care Benefits on Health Care Use and Health: A Randomized Trial for Disability Insurance Beneficiaries." *Medical Care*, 50, 764-771.

This paper focuses on the effect of the AB health benefit package on increasing health care use and reductions in unmet medical needs during the waiting period. When compared to the control group, beneficiaries who had access to the AB health insurance package experienced a 22 percentage point increase in the number who received a diagnostic test and a 10 percentage point increase in the number who underwent surgery. The health care package also led to an 18 percentage point reduction in beneficiaries reporting any unmet medical need and a 40 percentage point reduction in beneficiaries reporting an unmet need for a prescription drug. The findings quantify the importance of health insurance on access to needed health care during the waiting period.

<http://journals.lww.com/lww-medicalcare/toc/2012/09000>

5. Weathers II, R.R., & Stegman, M. (2012). "The effect of expanding access to health insurance on the health and mortality of Social Security Disability Insurance beneficiaries." *Journal of Health Economics*, 31, 863-875.

This paper focuses on the effect of the AB health insurance package on health outcomes within one year of enrollment into the project and mortality within three years of enrollment. When compared to the control group, SSDI beneficiaries who had access to the AB health insurance package experienced a 10 percentage point reduction in the report of poor health. They also experienced a 9 percentage point reduction in SF-36 (a survey that measures functional health and well-being) mental health scores indicative of clinical depression, and a 7 percentage point reduction in SF-36 scores indicative of an SSDI disability. The AB health insurance package did not have an effect on mortality within a three-year follow-up period. However, the effects on health suggest that health insurance may reduce mortality over a longer period.

The findings suggest that the health insurance provisions under the Affordable Care Act will help some individuals address their disabling health conditions and could reduce their dependence on the SSDI program.

www.sciencedirect.com/science/article/pii/S0167629612001130

6. Weathers II, R.R., & Stegman, M. (2014). "The Impact of Rehabilitation and Counseling Services on the Labor Market Activity of Social Security Disability Insurance (SSDI) beneficiaries." *Journal of Policy Analysis and Management* vol. 33, issue 3, 623-648.

This paper describes the effect of the additional employment services provided to AB Plus participants on their labor market activity. Our results indicate that the program led to a 4.6 percentage point increase in the receipt of employment services within the first year of random assignment and a 5.1 percentage point increase in participation in the agency's Ticket to Work program within the first three years of random assignment. The program led

to a 5.3 percentage point increase in employment and an \$831 increase in annual earnings in the second calendar year after the calendar year of random assignment. The short-term effects disappear in the third calendar year following random assignment. We identify SSDI program rules that are consistent with our findings and relate our findings to recent disability policy proposals.

<http://onlinelibrary.wiley.com/doi/10.1002/pam.21763/abstract>

7. Weathers II, R.R., & Bailey, M.S. (2014). "The Accelerated Benefits Demonstration: Impacts on the Employment of Disability Insurance Beneficiaries." *The American Economic Review: Papers and Proceedings*, vol. 104, no. 5.

In this paper, we use AB demonstration project data to estimate the effects of providing newly entitled SSDI beneficiaries with health insurance and additional services during the SSDI program's 24-month Medicare waiting period. While health insurance alone did not increase employment, the additional employment services appeared to have positive short-term effects on labor market activity. We find a statistically significant increase in employment and earnings in the second calendar year after random assignment, although these findings disappear in the third calendar year. Our results may have implications for disability reform proposals and provisions within the Affordable Care Act.

www.aeaweb.org/articles.php?doi=10.1257/aer.104.5.336

Presentations

We presented our findings on the effect of AB on the employment of disability insurance beneficiaries at the American Economic Association's annual meeting in Philadelphia, Pennsylvania on January 4, 2014.

Mental Health Treatment Study

Even though we completed the MHTS in July 2010 and submitted the final report in 2011, we continue to research the study population and to conduct outreach activities to promote best practices and encourage additional research in this area. Study reports are available at: www.socialsecurity.gov/disabilityresearch/mentalhealth.htm.

Disabled workers with mental illness, excluding those with an intellectual disability, represent about 29 percent of SSDI beneficiaries ("Annual Statistical Report on the Social Security Disability Insurance Program, 2014," available at: www.socialsecurity.gov/policy/docs/statcomps/di_asr/index.html). Many persons with mental illness want to work and will respond to treatment. In the MHTS, we tested the effectiveness of providing quality medical care and employment support in facilitating the return to work for a sample of SSDI beneficiaries with schizophrenia or affective disorders.

The study found that the MHTS package of interventions (e.g., systematic medication management, supported employment, services of a nurse-care coordinator) resulted in overall

better outcomes for the treatment group over the control group. For example, the MHTS services resulted in fewer hospitalizations and improved quality of life, as well as increased employment, hours of work, and earnings. However, monthly earnings among beneficiaries receiving the MHTS services were generally below the SGA level. We found that the MHTS services had no effect on increasing earnings above SGA or on reducing SSDI benefit payments among beneficiaries.

Additional Research

This year we are replacing the gratuitous services agreements we have with individual researchers studying MHTS results, with Memoranda of Agreements with each researchers' respective institutions, and will continue the planned research. In addition, we are collaborating on a grant from our agency's Disability Research Consortium awarded to Mathematica and Dartmouth to conduct a longitudinal analysis of the outcomes for the MHTS participants.

The planned research includes analyzing MHTS effects on employment and the implications of these impacts on the length of employment, job stability, level of work participation, and types of jobs. The researchers will also analyze factors associated with job attainment, job retention, and job quality, and investigate the effects of education and previous employment on employment, health, and functioning. To date, the researchers have produced four papers for publication.

1. Drake, R., Frey, W., Bond, G.R., Goldman, H.H., Salkever, D., Miller, A., Moore, T.A., Riley, J., Karakus, M., & Milfort, R. "Assisting Social Security Disability Insurance Beneficiaries With Schizophrenia, Bipolar Disorder, or Major Depression in Returning to Work." *American Journal of Psychiatry*, 2013; 179:1433-1441.

<http://ajp.psychiatryonline.org/mobile/article.aspx?articleid=1725890>

2. Salkever, D.S., Gibbons, B., Frey, W.D., Milfort, R., Bollmer, J., Hale, T.W., Drake, R.E., & Goldman, H.H. "Recruitment in the Mental Health Treatment Study: A Behavioral Health/Employment Intervention for Social Security Disabled-Worker Beneficiaries." *Social Security Bulletin* 74(2): 27-46.

www.socialsecurity.gov/policy/docs/ssb/v74n2/v74n2p27.html

3. Salkever, D.S., Gibbons, B., Drake, R., Frey, W.D., Hale, T.W., & Karakus, M. "Increasing Earnings of Social Security Disability Income Beneficiaries with Serious Mental Disorders." *Journal of Mental Health Policy and Economics*, 2014; 17 (2): 75-90.

<http://www.pubfacts.com/detail/25163103/Increasing-earnings-of-social-security-disability-income-beneficiaries-with-serious-mental-disorder>

4. David Salkever, Brent Gibbons, Xiaotao Ran. "Do Comprehensive, Coordinated, Recovery-Oriented Services Alter the Pattern of Use of Treatment Services? Mental Health Treatment Study Impacts on SSDI Beneficiaries' Use of Inpatient, Emergency, and Crisis Services." *Journal of Behavioral Health Services and Research*, 41, 434-446 October 2014.

<http://link.springer.com/article/10.1007/s11414-013-9388-1>

We are planning three other papers for publication.

Next Steps

We are working to obtain MHTS participant data from the Centers for Medicare and Medicaid Services for researchers to analyze. Among the issues we expect the researchers to study is whether the biggest gains for the treatment group compared to the control group were in the reduction in medical services (e.g., hospitalizations). As researchers publish their papers, we will continue to share the results with public and private organizations interested in the findings.

Conclusion

These demonstration projects allow us to explore ways to help beneficiaries enter or re-enter the workforce. We appreciate your support of our efforts to maximize the self-sufficiency of beneficiaries with disabilities.