

TRANSITIONAL BENEFITS FOR A SUBSET OF THE SOCIAL SECURITY DISABILITY INSURANCE POPULATION

Kim Hildred, Pam Mazerski, Harold J. Krent,
Jennifer Christian

- ▶ The paper addresses the small subset of beneficiaries already being identified by the Social Security Administration as expected to medically improve after a benefit award is made.
- ▶ These beneficiaries are not provided with medical supports or employment services that would facilitate their return to work should benefits be ceased through a continuing disability review, nor are they required to pursue rehabilitative or medical services to facilitate their return to work upon benefit award.
- ▶ When adding a disability insurance component to the Social Security program was first considered, many contemplated a system of transitional benefits coupled with vocational services designed to get people back on their feet and into the workforce.
- ▶ We encourage lawmakers to revisit the link between rehabilitation services and disability and consider creating transitional benefits for the small subset of beneficiaries whose disability is not in question, but who have conditions expected to improve.

- ▶ Although 3% of beneficiaries have conditions that are expected to improve, they are not encouraged to work, nor are they provided with the employment supports they need to return to work.
- ▶ CDR backlogs harm beneficiaries by delaying return to work efforts, which become more difficult with time; and may create a misimpression that eligibility is permanent, regardless of disability status.
- ▶ Those whose benefits cease because of medical improvement are not offered services to help them reenter the labor market.

THE PROBLEM

1. DDS examiners and ALJs would first determine, as they do now, whether a claimant meets the statutory definition of disability.
2. To ensure accuracy and consistency, decision makers would use a newly developed predictive analytics model to determine whether the medical condition is expected to improve.
3. If so, transitional benefits would be awarded for a two or three-year period. The default length would be specified by the predictive model, though the decision maker would have the discretion to expand the transitional period predicted up to the three year maximum.

4. Under existing Work Incentive Planning and Assistance and Ticket to Work programs, modified for transitional beneficiaries, employment networks or vocational rehabilitation agency service providers will provide customized services to increase medical and/or functional recovery, if necessary, in order to achieve employment.
5. There will be no cap on earned income during the transitional benefit period to encourage beneficiaries to experiment with gradual or intermittent return to productive paid work activity.

- ▶ Predictive analytics model – SSA has past experience in CDR process, diary designation criteria developed in 1990s needs updating, model would be continuously self-updating, periodic convening of an expert panel to update medical improvement criteria used by decision makers
- ▶ Appeals – transitional benefit decision would be non-appealable to avoid undercutting the goal of return to work, the 5-month waiting period would not apply for transitional beneficiaries who reapply
- ▶ Supports – transitional beneficiaries would receive priority, customized employment support services through the current Work Incentives Planning and Assistance and Ticket to Work programs
- ▶ Required compliance – with prescribed treatment and employment support services if needed to work
- ▶ Notice of benefit termination – six months prior to benefits ending so that needed action may be taken

IMPLEMENTATION

- ▶ Require the Commissioner to designate transitional benefits term.
- ▶ Enable transitional beneficiaries to earn unlimited amounts.
- ▶ Enable transitional beneficiaries to receive priority and expanded service in the Ticket to Work program and modify payment systems to providers serving these beneficiaries.
- ▶ Require those with transitional benefits to follow prescribed treatment and participate in employment supports.
- ▶ Either update the regulations to prioritize state Vocational Rehabilitation reimbursement for transitional beneficiaries or amend the Rehabilitation Act to give the highest priority to transitional beneficiaries (contingent on study results).

STATUTORY CHANGES

- ▶ Study to analyze CDR process
- ▶ Testing of transitional benefit program through a pilot conducted in a few states or region, followed by a broader pilot if preliminary results show positive outcomes
- ▶ Should Congress reinstate demonstration authority, pilot and demonstration options include;
 - ▶ Demonstration projects through federal interagency agreements
 - ▶ State innovation and experimentation through partnerships between vocational rehabilitation, disability determination services, and employment networks within the state, potentially funded by foundations or social impact bonds

INTERMEDIATE STEPS

- ▶ Objections raised by those who oppose time-limited benefits, even for those expected to improve
- ▶ Use of predictive model to establish transitional benefit periods
- ▶ Administrative burdens
- ▶ Why full funding for CDRs would not render transitional benefits unnecessary

QUESTIONS/CONCERNS

- ▶ The average SSDI benefit at \$13,980 a year is only slightly higher than what constitutes the poverty threshold for an individual living alone.
- ▶ Individuals with disabilities deserve better outcomes that are consistent with the Americans with Disabilities Act, i.e., inclusion of individuals living with disabilities in all aspects of life, particularly employment.
- ▶ The authors believe that limiting time on the rolls for the small subset of SSDI beneficiaries who have a high likelihood of medical improvement coupled with supports and services aimed at improving health and increasing employment reentry will result in better economic outcomes for a portion of SSDI beneficiaries and overall improved quality of life.

CONCLUSION