

# **The Availability of Federal/State Vocational Rehabilitation (VR) Services and Subsequent Claiming and Receipt of Federal Disability Benefits**

**Jody Schimmel Hyde**

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# **VR's potential role as an early intervention (EI) provider**

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- **Once individuals receive federal disability benefits, very few leave the rolls for work**
- **Increasing emphasis on supports to keep workers with disabilities in the work force and from claiming benefits**
- **VR offers a unique and potentially wide-reaching option for offering EI**

# Motivation for this study

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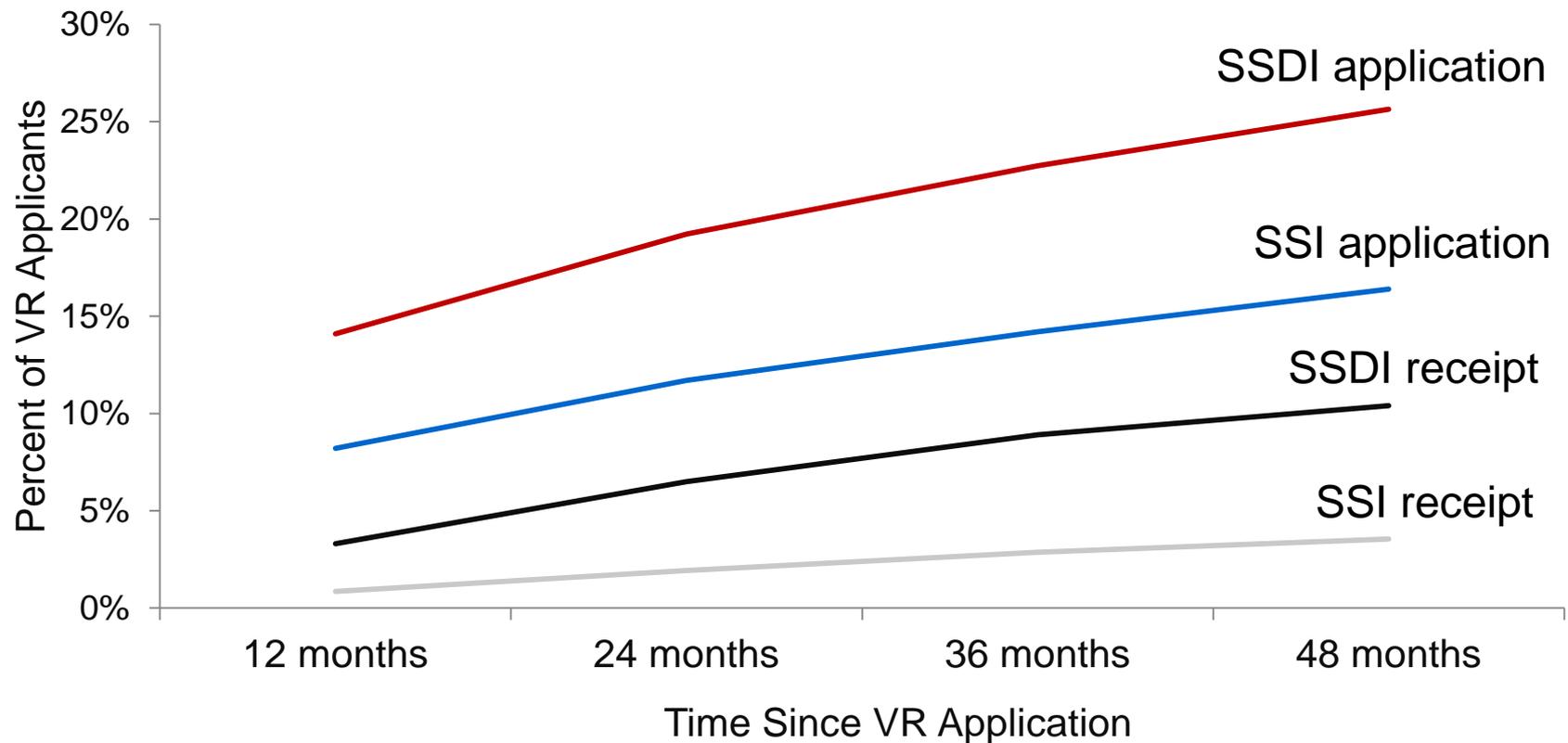
- **VR agencies have limited funding and are not able to serve all clients timely**
  - 4 out of 10 clients do not receive services
  - Of those who do, the median wait is 2 months; nearly 1 in 5 wait 6 months or more
- **Assess whether VR service availability affects VR applicants' subsequent federal disability benefit application or receipt**

# Data description

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- **Data: Linked Rehabilitation Services Administration (RSA)-911 to Social Security Administration (SSA) 831 and Disability Analysis File (DAF)**
- **Sample: Working-age, first-time VR applicants between 2002-2005 *not yet receiving federal disability benefits***
- **Outcomes: Application to and receipt of:**
  - Social Security Disability Insurance (SSDI)
  - Supplemental Security Income (SSI)
  - Measured 48 months after VR application

# SSDI and SSI application and receipt following VR application



Note: Based on RSA-911 data of first-time applicants to VR from 2002-2005, with cases closed by FY 2009. Linked to SSA's 831 data for applications and 2009 Ticket Research File for benefit receipt. SSDI application and receipt data measured among VR applicants estimated to be SSDI-insured.

# Measuring VR service availability

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- **Calculated the availability of services for each VR applicant at the time they applied**
  - Measures calculated based on all applicants in the same agency and month
- **Measures defined to be uncorrelated with individual factors affecting VR service receipt**
  - Analysis presented here is limited to applicants in states not operating in Order of Selection (OOS) status from 2002-2005

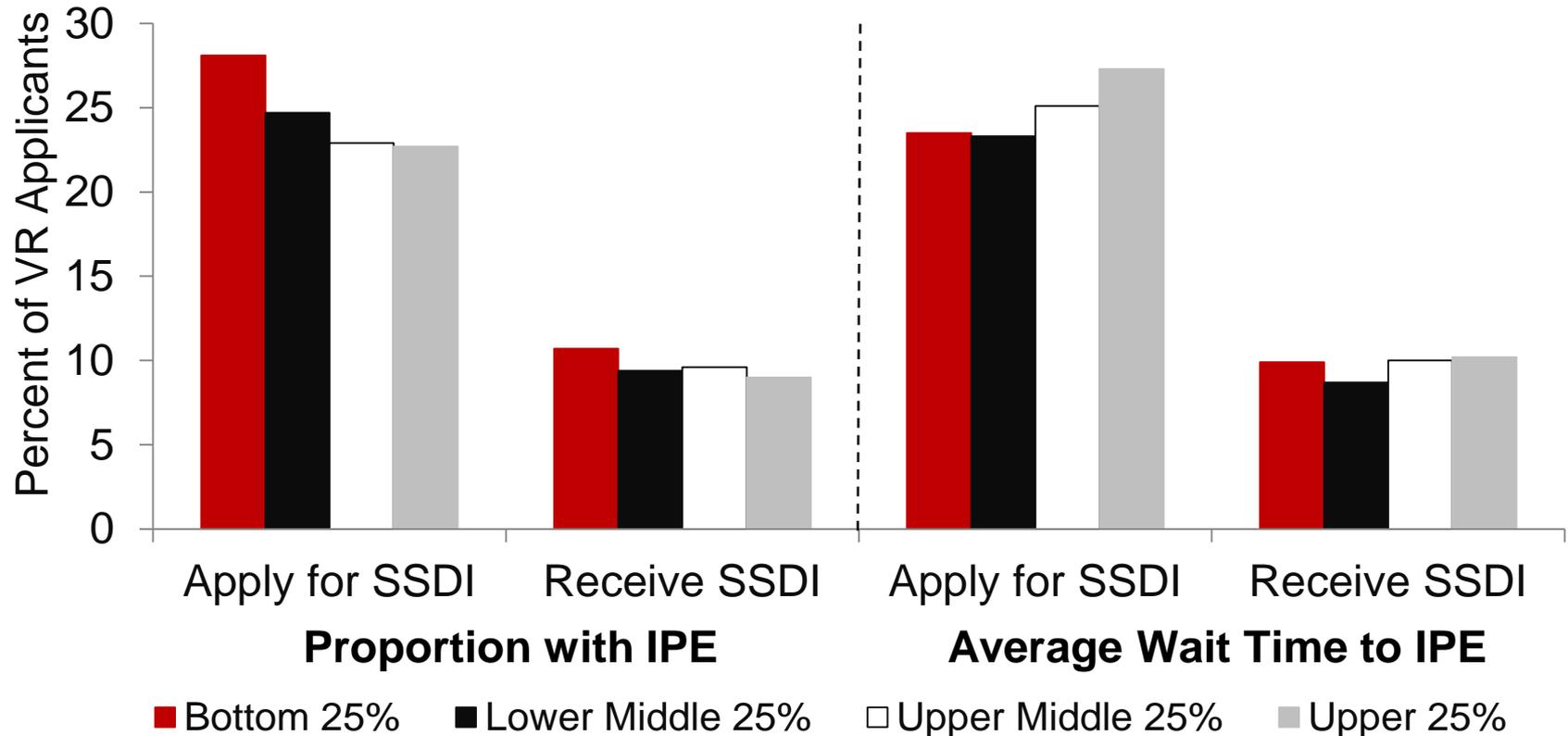
# Measures of VR service availability

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- **Proportion of applicants generating an Individualized Plan for Employment (IPE)**
- **Average wait time to IPE (among those who generated one)**

	<b>Percent with IPE (%)</b>	<b>Average wait time (months)</b>
Minimum	0.0	0.0
25 <sup>th</sup> percentile	52.5	1.6
Median	61.1	2.6
75 <sup>th</sup> percentile	74.1	3.4
Maximum	100.0	19.3

# VR service availability and later SSDI application and receipt



Note: Based on RSA-911 data of first-time applicants to VR from 2002-2005, with cases closed by FY 2009, estimated to be SSDI-insured. Linked to SSA's 831 data for applications and 2009 Ticket Research File for benefit receipt. SSDI application and receipt measured 48 months after VR application. Limited to agencies never operating in OOS status from 2002-2005.

# The effect of VR service availability on the likelihood of subsequent SSDI application

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- **Regression model controls for:**
  - Applicant characteristics
  - Characteristics of the agency that stay constant over time
  - Changes in the broader policy environment
- **All else equal, expect that applicants served in months when:**
  - A higher proportion have an IPE will have a lower likelihood of applying/receiving for SSDI
  - Longer mean wait time to IPE leads to higher likelihood of applying/receiving for SSDI

# Findings for SSDI application

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- **Estimated effects in line with expectations and statistically significant**
- **Suppose all agencies moved to the top 10<sup>th</sup> percentile, all else equal. From 2002-2005, there would have been:**
  - **5,800 (8 percent) fewer SSDI applications among first-time VR applicants based on the likelihood of receiving an IPE.**
  - **2,500 (3 percent) fewer SSDI applications among first-time VR applicants based on mean wait time.**

# Findings for SSDI receipt

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- **Estimated effects are larger in relative terms for SSDI receipt than applications.**
  - **If all agencies moved to the top 10<sup>th</sup> percentile, all else equal, from 2002-2005 there would have been:**
    - **4,600 (16 percent) fewer new SSDI beneficiaries based on likelihood of IPE receipt.**
    - **2,300 (8 percent) fewer new SSDI beneficiaries based on mean wait time.**

# Findings for SSI application and receipt

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- Findings for SSI application and receipt less consistent than for SSDI in both statistical significance and magnitude
- Possible reasons:
  - Applicants to SSI do not necessarily have the same connection to the labor force, so timely service receipt may not be as critical
  - Inappropriate applications: Individuals applying for SSDI are often automatically considered for SSI, but may not meet the strict financial eligibility criteria—would not receive an award if even applied

# Findings for agencies operating in OOS status

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- **Our results include only 34 of 73 VR agencies that were not operating in OOS from 2002-2005**
- **29 agencies were intermittently in OOS and 10 agencies were always in OOS**
- **Estimates for agencies in OOS were less strong and less consistent than for agencies never in OOS**
  - **In OOS, services prioritized based on disability severity, confounding relationship between waiting and outcomes**

# Conclusions and policy implications

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- **VR services, when offered timely, serve an important EI role to divert workers with disabilities from SSDI and perhaps SSI**
- **Number diverted from SSDI is tiny relative to all who apply for SSA disability benefits**
- **Moving all agencies to the top 10<sup>th</sup> percentile would require significant investment**
  - **Costs may be more than offset by savings in delayed or forgone disability benefits**

# Contact information

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**Jody Schimmel Hyde**  
**Center for Studying Disability Policy**  
**Mathematica Policy Research**  
**1100 1<sup>st</sup> Street NE, 12<sup>th</sup> Floor**  
**Washington, DC 20002**  
**(202) 554-7550**

[jschimmel@mathematica-mpr.com](mailto:jschimmel@mathematica-mpr.com)

<http://www.DisabilityPolicyResearch.org>

# Acknowledging coauthors

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- For responses to tough questions, please contact:
  - Todd Honeycutt
    - [thoneycutt@mathematica-mpr.com](mailto:thoneycutt@mathematica-mpr.com)
  - David Stapleton
    - [dstapleton@mathematica-mpr.com](mailto:dstapleton@mathematica-mpr.com)