

**State Partnership Systems Change Initiative (SPI)
Project Office**

**Conclusions Drawn from the State Partnership
Initiative**

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Table of Contents

I. Summary of the SPI Initiative	3
II. Summary of the SPI Interventions.....	6
III. Summary of the SPI Systems Change Activities.....	17
IV. What Effect did SPI have on Participant Employment?	19
V. What Effect did SPI have on Reduction of SSA Benefits Received?	27
VI. Summary of Final Evaluation of the SSI Work Incentives Demonstration Project.....	29
VII. Implications for Future SSA Demonstrations	31
References.....	37

I. Summary of the SPI Initiative

Overview of SPI

The State Partnership Systems Change Initiative (SPI) was comprised of 18 State projects designed to identify, implement and evaluate innovative strategies to promote employment opportunities for SSI/SSDI beneficiaries, as well as recipients of other types of public supports. Twelve of the State Projects were funded primarily by SSA and the other six Projects were funded primarily by the Rehabilitation Services Administration (RSA) of the U.S. Department of Education. The RSA-funded state projects focused mainly on changing service systems, and less on providing direct services. Most state projects targeted beneficiaries with severe mental illness, although many also targeted people with other disabilities. The state projects were funded in fall 1998, and the first state began enrollment in January 1999. Most SSA-funded state projects provided services through September 2004. This Final Report of the SPI Project includes not only the measurable findings from the SSA-funded projects, but also the systems change accomplishments from both the SSA and RSA funded state projects.

SPI was a major component of the Federal governments overall efforts to improve employment opportunities for individuals with disabilities, especially those who receive Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI) or other types of public assistance. The State Partnership/Systems Change Initiative represented a unique collaboration among SSA, RSA, the Department of Labor (DOL), and the Substance Abuse Mental Health Services Administration (SAMHSA), all working in conjunction with the Presidential Task Force on the Employment of Adults with Disabilities beginning in the Fall of 1998 and ending in the Fall of 2004. The SPI initiative was part of the government's overall response to the frustrating and vexing problem of chronic unemployment among citizens with disabilities. The frustration among consumers, the Administration and the Congress stems from the fact that although tremendous advances occurred over the previous decade, little had been done to impact the 65%-70% unemployment rate and increase workforce participation of individuals with disabilities.

The demonstration and systems change activities initiated by the projects varied widely from State to State. However, major project activities fell into a number of identifiable activities, including Medicaid Buy-in Activities, Social Security Waivers, Benefits Planning and Assistance, One-Stop Career Center Collaboration, Interagency Collaborative Activities, Consumer Mentoring Activities, and Direct Employment Services.

During Fall 2000 and Winter 2001, the SSA SPI Projects were required to define the interventions which would be the focus of their service provision for the next three

years, identify the systems change activities which they would pursue, and develop an internal evaluation plan to test the effect of the interventions being offered. Each Project was required to submit at the end of December 2003, an internal evaluation report, called the Year 5 Evaluation Report, which was a combination of the preliminary findings of their process evaluation and the preliminary results of the outcomes resulting from the implementation of their respective interventions. One of the final requirements of each Project was the submission of its final evaluation report within ninety days of the close of their project (or by December 31, 2004). These final evaluation reports, which were all submitted by December 31, 2005, provided an update on system changes accomplished by the projects as well as presented outcome findings of the impacts of the interventions.

Influence of Other Employment Policy Initiatives During SPI Implementation

SSA's efforts to promote beneficiary employment and self-support began even before passage of the 1980 amendments to the Social Security Act, which added several work incentives to the SSI program. More recently, the Ticket to Work and Work Incentive Improvement Act of 1999 (Public Law 106-170) created several important new initiatives that affect people who receive disability benefits. In addition, several important recent executive initiatives (the New Freedom Initiative and the President's Task Force on Employment of Adults with Disabilities) have sought to identify and eliminate barriers to employment for people with disabilities.

The implementation of these other demonstrations and initiatives substantially affected the SPI demonstration and its evaluation. The influx of additional resources enabled some state projects to offer their SPI participants enhanced services, or to offer more beneficiaries services similar to those provided in their state projects. In addition, the new demonstrations and initiatives affected the environments against which the state projects are compared. To the extent that these initiatives promoted the viability of work for all beneficiaries, the effect of services that the state projects provided are harder to detect and interpret.

Since the start of SPI, nine other major initiatives have begun to provide services or to change policies designed to promote employment among people with disabilities, including people who are receiving benefits from SSA. The following list provides an overview of these policy initiatives:

- ***Benefits Planning, Assistance, and Outreach (BPAO)***. This SSA program funds benefits planning for beneficiaries with disabilities who are trying to return to work. Benefit planners provide direct advice and assistance to SSI and SSDI beneficiaries by (1) explaining SSA work incentives and the effects of work on benefits, and (2) providing information on state vocational rehabilitation (VR) systems and other available supports. BPAO providers provide services to the entire United States.

- **Medicaid Buy-In.** Recently enacted legislation enables states to modify their Medicaid programs to provide workers who have disabilities with better access to health insurance. The buy-in programs expand coverage by expanding Medicaid income and resource eligibility standards, and by creating sliding-scale premium arrangements to encourage people with disabilities to maintain employment. Nine of the SPI states started buy-in programs.¹ Currently, about 30 states have Medicaid buy-in programs (White et al. 2005). However, many of those programs began operations after enrollment for SPI had ended.
- **Medicaid Infrastructure Grant.** This Centers for Medicare and Medicaid Services (CMS) grant program provides funding to states that want to modify their Medicaid programs to implement a buy-in program, or to provide other employment incentives for people with disabilities.
- **Demonstration to Maintain Independence and Employment.** This CMS-funded program was not offered in any of the SPI states. It originally supported efforts in three states (Mississippi, Rhode Island, and Texas) and the District of Columbia to enable people with chronic, disabling conditions to obtain medical benefits without having to first qualify for disability benefits (which typically requires that people quit their jobs). It has since expanded to additional states. The demonstration allows states to provide health care services and supports to working people who need to manage the progression of their diseases.
- **Work Incentive Grants.** The Work Incentive Grant Program is funded by DOL to enhance employment opportunities for people with disabilities. The grants encourage One-Stop Career Centers to develop innovative ways to ensure that this population can obtain comprehensive, accessible employment services that will address their barriers to employment.
- **Employment Assistance Grants Through DOL's Office of Disability Employment Policy.** This grant program targets planning and implementation activities to enhance the availability and provision of employment services for people with disabilities within the One-Stop delivery system. To improve employment outcomes for people with disabilities, technical assistance grants also are offered to One-Stop Career Centers, State and Local Workforce Investment Boards, Youth Councils, and Workforce Investment Act Grant recipients who serve adults and youths.
- **Ticket to Work.** This SSA program introduced a new performance-based method of paying for services to help disabled beneficiaries to obtain and hold jobs, while exercising more consumer choice. SSA issues eligible beneficiaries a ticket that they can take to the service provider of their choice.

¹ These states are California, Illinois, Iowa, Minnesota, New Hampshire, New Mexico, New York, Vermont, and Wisconsin. Implementation in New York began in 2003, after enrollment had stopped.

Providers have the option of deciding whether to accept the Ticket. If they do accept it and try to help the beneficiary to obtain employment, their payments are based on achievement of specific milestones, particularly whether the beneficiary successfully moved from the disability rolls to self-supporting employment. The Ticket program was introduced in 13 states during 2002 and was operating in every state by September 2004.

- ***Olmstead Grants.*** This CMS grant program helps states to place into an integrated setting qualified people with disabilities who are in institutions or who are being assessed for institutionalization. The initiative includes three categories of systems grants to states: (1) Nursing Facility Transition Grants, (2) Community-Integrated Personal Service and Support Grants, and (3) “Real Choice” System Change Grants.
- ***Indexing of the Substantial Gainful Activity (SGA) Amount.*** Since 1999, SSA has adjusted the average monthly earnings amount used to determine whether work performed by beneficiaries with disabilities is considered SGA. The annual adjustments are intended to correct for inflation. Before 1999, the Social Security Commissioner instituted regulations specifying the appropriate level to be used to set the SGA.

The initiatives described above created a dynamic environment that complicated the SPI evaluation. Although employment and training evaluations have long faced the challenge of accounting for local variation in service environments, introduction of these new initiatives took place during the SPI effort, and, in many cases, the new initiatives offered service interventions that the state projects also offered. They therefore affected the mix of services available to participants and potential comparison group members at the same time that the SPI state projects tried to deliver new services to participants. If the new initiatives successfully expanded the availability of employment-support services, the net extent to which the state projects could have expanded services to participants is reduced. This outcome, in turn, would reduce the potential impacts produced by the state projects relative to what was expected at the time that the projects had been designed.

II. Summary of the SPI Interventions

All 12 SSA-funded SPI Projects developed Intervention Plans using an outline provided by the Virginia Commonwealth University (VCU) Project Office during the first 2 years of their project’s operation. These plans were reviewed and approved by SSA in the Spring of 2001. The interventions implemented by the 12 SPI State Projects targeted the service and policy gaps that were identified at the time that the projects began in 1998. As shown in Table 1, all State Projects provided benefits planning and assistance services; all Projects except North Carolina, Ohio and Oklahoma had

Medicaid Waivers and Buy-ins; most Projects provided interventions involving One-Stop Centers, case management and placement assistance services; and relatively few State Projects provided other types of services such as mental health and developmental disabilities support, and peer mentoring.

SPI interventions, which address the major areas of concern, fall into 3 corresponding categories: benefits planning and assistance services; direct employment supports; and increased health care.

TABLE 1

SERVICES PROVIDED BY THE SSA STATE PROJECTS TO REMOVE EMPLOYMENT BARRIERS

	Direct Interventions								System Change					
	Increase Understanding of How Work Affects Benefits	Make Work Pay	Improve Human Capital					Increase Access to Health Insurance	Build More Person-Centered Service Systems	Reduce Employer Barriers				
			Benefits/Work Incentive Counseling	SSA Work Incentives	Case Management	Placement Assistance	Job Training				Services/Supports from Local MH/DD Service Provider	Accommodations	Job Service Voucher	Psychosocial Rehabilitation
California	X	X	X	X		X			X			X	X	
Iowa (SSA)	X											X	X	X
Minnesota	X											X		
New Hampshire	X		X									X		
New Mexico	X		X	X								X	X	
New York	X	X	X	X					X	X	X	X	X	X
Ohio	X												X	X
Oklahoma	X		X	X	X			X	X		X		X	
Vermont	X	X										X	X	
Wisconsin	X	X	X	X	X	X	X		X	X				

Source: Based on the services that the state projects reported as project funded in service data through March 31, 2002. We also relied on information collected by VCU in site visits to document the use of One-Stop Centers and employer outreach. Information on the use of the Medicaid Buy-In is taken from the service data, State Project reports, and (Deke and Peikes 2003).

Note: This table excludes Supported Employment, Transitional Employment Program, Transportation Assistance, and School to Work Transition Services. It also excludes services that projects reported delivering to fewer than 10 participants.

Benefits Planning and Assistance Services

Each of the 12 SSA funded projects provided benefits planning and assistance to project participants. In general, the benefits planning and assistance services were delivered in a very uniform manner. All states provided information and referral services, problem solving, benefits analysis and advisement, intensive benefit support, and advocacy on behalf of individual beneficiaries. Each of these categories is defined below (Kregel & Head, 2004).

Information and Referral involves providing basic written and verbal information in response to inquiries about all Federal and State benefit programs, and/or referral to government agencies and other community resources. This level of service may involve one to several contacts over a relatively short period of time.

Problem Solving generally occurs over a period of several weeks to several months, involves providing time-limited, intensive assistance to recipients in solving specific federal and state benefit and work incentive problems, and may involve advocating on behalf of the recipient with other agencies and programs. Examples of the types of specific problems and situations that fall under the area of Problem Solving include:

- Changes in life status (living arrangement, marriage status, etc.) that may cause changes to disability benefits status, such as an SSI beneficiary who requests information on the effect of marriage on her future benefits.
- Changes in disability benefit status that affect other federal benefits, such as a beneficiary who receives notification of Medicaid cessation and expresses concern over why the Medicaid eligibility was discontinued and requests information on how eligibility might be reinstated.
- Problems related to post entitlement earnings reporting, such as an SSI individual who continues to receive full benefits even though he or she has been working and reporting earnings to SSA for six months.

Benefits Analysis and Advisement requires the specialist to assess the real or potential effects that employment or other such changes will have on the recipients overall financial well-being, and to inform the recipient of the various options available and the projected outcomes for each.

Benefits Support Planning involves time-limited services aimed at directly assisting recipients in constructing plans to promote effective monitoring and management of their benefit programs and work incentives.

Benefits Management, which generally occurs on a scheduled basis over an extended period of time, involves providing ongoing, comprehensive, benefits monitoring and

management assistance to recipients who are likely to experience employment, benefits, or other changes that will dramatically affect their benefits status, health care, or overall financial well being.

Individual Advocacy involves supporting and advocating for a specific beneficiary by writing letters, making telephone calls, accompanying the beneficiary to FOs, attending meetings and other similar activities that assist the beneficiary in issues related to program eligibility, use of work incentives, communication with FOs, and other related concerns.

Systems Advocacy involves working to achieve systemic changes that will benefit groups of beneficiaries by serving on committees or task forces, developing procedures with FOs or AWICs, advocating with Federal or State government agencies, and other related activities.

Staffing Many states involved other staff members in the delivery of benefits planning and assistance services. These staff positions were termed employment counselors, employer liaisons, consumer outreach specialists, service coordinators, or resource consultants. These other staff positions would generally perform some, but not all, of the functions described above. The specific functions performed by the benefits specialists and other staff members are identified in Table 2.

Highly skilled Project staff members were able to provide training and support to benefits specialists. Many of the state projects (Iowa, Minnesota, New Hampshire, New York, Vermont, and Wisconsin) employed project staff members who had developed national reputations for their ability to train and support benefits specialists. Most SPI projects shared information, training materials, and even training staff members across projects in order to promote the consistent delivery of high quality services. This not only improved the overall quality of the services provided by the benefits specialists, but also dramatically increased the consistency of the intervention within individual sites, across various sites in a specific state, and across multiple states. The consistency in the delivery of benefits planning and assistance services will significantly aid the interpretation of outcome data from the state internal evaluations, as well as the national net outcome evaluation.

Table 2

**Benefits Planning and Assistance Services Provided by
Benefits Specialists and Other SPI Project Staff Members**

State	Number of Staff	Position Title	Information and Referral	Problem Solving	Benefits Analysis and Advice	Benefits Support Planning	Benefits Management	Individual Advocacy	Systems Advocacy
CA	3	Benefits Coordinator	X	X	X	X	X	X	X
	3	Service Coordinator						X	X
IL	3	Benefits Specialist	X	X	X	X	X	X	X
IA	2	Benefits Planner	X	X	X	X	X	X	X
MN	6	Benefits Specialist	X	X	X	X	X	X	X
NH	1	Benefits Specialist	X	X	X	X	X	X	
	2.5	Resource Consultant	X	X	X	X	X	X	
NM	3	Benefits Advisor	X	X	X	X	X	X	X
NY	6	Benefits Advisor	X	X	X	X	X	X	
	6	Employment Coordinator						X	X
NC	1.5	Benefits Advisor	X	X	X	X	X	X	X
OH	4	Benefits Counselor	X	X	X	X	X	X	
	4	Employer Liaison						X	X
OK	4	Consumer Outreach Specialist							X
VT	6	Benefits Counselor	X	X	X	X	X	X	X
WI	30	Other Staff (all non-SPI dollars)	X	X	X	X	X	X	X

Direct Employment Supports

The SPI projects began the implementation of their interventions in the fall of 1998, only weeks after the signing of the Workforce Investment Act (WIA) of 1998 (P.L. 105-220). WIA represented a major reorganization of the nation's employment programs that was intended to consolidate preparation and employment services into a unified system of support. Key to this reorganization was the creation of a national network of One-Stop Career Centers throughout the United States and its territories to be a single place where job seekers and potential job seekers can receive the services that they need to become employed or re-employed (Morris & Farah, 2002). Although previous Department of Labor employment programs such as the Job Training Partnership Act had been largely ineffective in serving individuals with significant disabilities, WIA presented a new opportunity for beneficiaries to successfully access and benefit from the same employment services as those available to the general public (Bader, 2003).

The SPI projects were among the first national efforts to attempt to include SSA beneficiaries in the WIA services and programs offered through One-Stop Career Centers. A majority of the SSA funded SPI projects made the One-Stop Centers a key component of their employment intervention. As indicated in Table 3, California, Iowa, New Mexico, New York, North Carolina, Ohio, Oklahoma, and Vermont either located project staff directly inside One-Stop Centers, recruited participants directly from One-Stop Centers, or developed memoranda of understanding which committed the One-Stop Centers to providing employment services to project participants. SPI projects had considerable prior experience in benefits planning and assistance, but they had little previous familiarity with Department of Labor (DOL) funded employment programs. SPI project staff members forged working relationships with State Workforce/Economic Development agencies and local One-Stop Centers, and five states physically located project staff within One-Stop Centers.

The SPI projects used a variety of approaches to increase the ability of beneficiaries to access and benefit from services provided by One-Stop Centers. The projects developed several different types of positions to work directly with beneficiaries and One-Stop Centers, such as Employment Coordinators, Consumer Navigators, Employer Liaisons, Consumer Outreach Specialists, and Service Coordinators. Some of these positions were located in One-Stop Centers, while others were located in rehabilitation facilities or vocational rehabilitation agencies. In some states these staff members maintained specialized caseloads, whereas in other states the positions focused on supporting other staff members in One-Stop Centers and increasing the ability of the Centers to respond to the unique needs of beneficiaries.

Table 3
Direct Employment Supports Provided by the SSA SPI Projects

State	One-Stop Center	Supported Employment	Navigator Function	Case Management	Job Training	Placement Assistance	Job Service Voucher	Peer Mentoring	Services/Supports from Local MH/DD Service Provider	Transitional Employment Program	Psycho-social Rehab.
California	X	X	X	X		X			X	X	X
Illinois		X		X							
Iowa	X	X	X								
Minnesota*											
New Hampshire			X	X							
New Mexico	X	X	X	X		X				X	
New York	X	X	X	X		X		X		X	X
North Carolina	X	X	X						X		
Ohio	X	X	X							X	
Oklahoma	X	X		X	X	X	X			X	X
Vermont	X	X									
Wisconsin		X		X	X	X		X	X		X

* Minnesota designed its intervention based solely on the delivery of benefits planning and assistance services. As a part of its benefits planning program, staff members frequently provided information to beneficiaries regarding the availability of employment services agencies in local communities, but did not directly provide those services as a part of the SPI intervention.

Increased Access to Health Care

The Ticket to Work and Work Incentives Improvement Act (Public Law 106-170) included several provisions designed to expand authority originally granted to states under the 1997 Balanced Budget Act (BBA) to provide Medicaid coverage to working people with disabilities. These programs are generally referred to as Medicaid Buy-in programs, since both the BBA and the Ticket Act authorized states to require beneficiaries to pay small premiums for this coverage. The various programs are targeted at individuals who otherwise would not qualify for Medicaid coverage because their earnings or personal assets exceed established thresholds. In addition to the Medicaid Buy-in program, the Ticket Act also established the Medicaid Infrastructure Grants (MIGs) through the Center for Medicaid and Medicare Services (CMS) to enable states to develop Buy-in program infrastructure and conduct a variety of activities designed to promote the employment of people with disabilities.

As of June 2004, 30 states had implemented Buy-in programs and three additional states were anticipated to initiate Buy-In programs in the immediate future. Of the 30 states, nine were SSA funded SPI states who launched Buy-in programs authorized by the BBA or the Ticket Act either shortly before or during the implementation of the SPI project. North Carolina, Ohio, and Oklahoma have not yet established a Medicaid Buy-in. In addition, all nine SPI states with Buy-in programs also operated a MIG grant designed to enhance each state's ability to develop an infrastructure that would support the implementation of the Buy-in.

Table 2.4 identifies the year of implementation, type of Buy-in (BBA or Ticket Act), and program enrollment as of March 2004. In five of the nine states, the Medicaid Buy-In was implemented after the award of the SPI project, but prior to the start of the first Medicaid Infrastructure Grants on January 1, 2001. Five of the states developed Buy-in under the guidelines authorized by the BBA. Minnesota was the first state in the nation to establish a Medicaid Buy-in program under the Ticket Act authority of 1999.

The SPI states generally have some of the highest Buy-in program enrollment rates in the nation. As seen in Table 4, the nine SPI states had enrolled over 24,000 individuals into their Medicaid Buy-in programs as of March 2004. The SPI states accounted for 38% of all Buy-in enrollees in the country at that time (51% of all enrollees excluding the 16,508 individuals enrolled in the state of Missouri). Five of the ten states with the highest Buy-in enrollments in the country were states with SPI projects (Iowa, Minnesota, Wisconsin, New Hampshire and New York).

State	Implementation Year	BBA or Ticket Act	Enrollment March 2004
Iowa	2000	BBA	6,520
Minnesota	1999	Ticket Act	6,221
Wisconsin	2000	BBA	6,096
New Hampshire	2002	Ticket Act	1,294
New York	2003	Ticket Act	1,146
New Mexico	2001	BBA	977
California	2000	BBA	960
Illinois	2002	Ticket Act	556
Vermont	2000	BBA	497
Total			24,267

Source: Goodman and Livermore, 2004

The SPI states' Buy-in program varied somewhat in terms of the gross income and earnings limits for Buy-in participants. As described in Table 5, most SPI states set an annual gross income limit of \$47,570, reflecting the fact that five of the SPI states established their Buy-ins under the more restrictive BBA legislation. Minnesota places no limits on income for Buy-in participants and New Hampshire had the highest established limit of \$84,810. Illinois had the lowest earnings limits among the SPI states.

State	No Unearned Income	With \$600/mo. In Unearned Income		With \$1200/mo. In Unearned Income		Married with \$600/mo. In Unearned Income	
	Annual Gross Income Limit	Annual Earnings Limit	Annual Gross Income Limit	Annual Earnings Limit	Annual Gross Income Limit	Annual Earnings Limit: Spouse with \$1000/mo. Countable Income	Annual Earnings Limit: Spouse with \$1500/mo. Countable Income
California	\$47,570	\$47,570	\$54,770	\$47,570	\$61,970	\$25,070	\$13,070
Illinois	\$38,260	\$23,860	\$31,060	\$9,460	\$23,860	\$12,580	\$580
Iowa	\$47,570	\$33,170	\$40,370	\$18,770	\$33,170	\$25,070	\$13,070
Minnesota	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited
New Hampshire	\$84,810	\$70,410	\$77,610	\$60,810	\$75,210	\$75,030	\$63,030
New Mexico	\$47,570	\$33,170	\$40,370	\$23,570	\$37,970	\$33,170	\$33,170
New York	\$47,570	\$33,170	\$40,370	\$23,570	\$37,970	\$33,170	\$33,170
Vermont	\$47,570	\$33,170	\$40,370	not eligible	not eligible	\$25,070	\$13,070
Wisconsin	\$47,625	\$33,170	\$40,370	\$23,570	\$37,970	\$25,070	\$13,070

Source: Goodman and Livermore, 2004.

Many of the SPI projects were extremely involved in the development and implementation in their states. In a majority of states SPI projects staff members played key roles in the design and development of Medicaid Buy-in programs. In a number of states, planning for Medicaid Buy-in programs had been well underway within the State Medicaid agencies and State Legislatures at the time of the SPI project initiation. In some states, such as Wisconsin staff members who had been working on the planning and implementation of the Buy-in subsequently moved into SPI project staff positions. In these states, the SPI project was not responsible of the development of the Buy-in.

In other states, such as Iowa and New Mexico, the activities of SPI project staff were directly related to the development of Buy-in programs by State Medicaid agencies and State Legislatures. In these states, the SPI projects were heavily involved in facilitating planning groups and planning activities, conducting background studies and participating in the formulation of specific policies. The SPI projects used their interagency governmental structures to promote collaboration in the design of the program. The SPI project resources provided the capacity to conduct background analyses and develop broad support for the program at a time when State Medicaid agencies were beginning to see the effects of reductions in state budgets

SPI projects have worked closely with Medicaid Infrastructure Grants (MIGs) to promote other health care initiatives such as personal assistance services (PAS) at the work site. All nine SPI states with Buy-in programs also operated MIG grants that were designed to develop the infrastructure components necessary to effectively implement the Medicaid Buy-in program, as well as to promote the expansion of personal assistance services in the participating states. SPI project staff members were involved in the development and actual operation of MIG grants in at least five SPI states (Iowa, New Hampshire, New Mexico, North Carolina, and Wisconsin). In virtually every state the SPI project attempted to coordinate training and systems change activities with the MIG project. Specific examples of coordinated activities that the SPI projects conducted with the MIG projects included:

- In New Hampshire, Project Dollars and Sense staff provided a fiscal impact statement, conducted Buy-In research and data development, staffed the Buy-In Workgroup, developed drafts of legislation, provided data for decision-making, drafted rules and regulations, assisted with the development of a Buy-In outreach plan and materials, and assisted with the development of an evaluation plan.
- In Iowa, the Bridge to Employment project engaged in a number of collaborative activities with the state MIG grant, including: 1) the creation and implementation of Iowa's Medicaid Buy-In program, Medicaid for Employment People with Disabilities (MEPD); and 2) the promotion of MEPD to SSA beneficiaries and employers.

- The Minnesota Work Incentives Connection worked collaboratively with the state MIG grant to perform statewide outreach for MA-EPD, the state's Medicaid Buy-in program. Through its Hotline and Benefits Analysis services, project staff also assisted consumers in accessing MA-EPD, helped them constructively resolve disputes with their financial workers, and ensured that MA-EPD rules were applied properly in individual situations.
- In North Carolina, the SPI project spearheaded an effort to change North Carolina's Medicaid State Plan to allow Medicaid coverage of personal care or assistance services for individuals with disabilities to be provided outside the home to support competitive employment.
- In Wisconsin, the WPTI (Wisconsin Pathways to Independence) worked with the state MIG project to create and promote the implementation of the Medicaid Purchase Plan (MAPP) to preserve and extend health care services for certain, especially SSDI, participants in the program. MAPP has become a permanent component of the state's Medicaid plan and has served a growing population.

The Medicaid Buy-in programs in the SPI states have been generally successful, but SPI project staff members have expressed concern that the program has not led to significant increases in employment outcomes for participants. The SPI State Projects are generally operated medium to large Medicaid Buy-in programs. From an employment intervention perspective, the Buy-in eligibility criteria for virtually all SPI states is higher than the threshold for the 1619 (b) (Working while disabled) provision, indicating that the Buy-in has successfully increased work incentives for SSI beneficiaries. For Title II beneficiaries, SPI project staff members indicate that the program provided a strong incentive for beneficiaries who can access Medicaid through spend down or poverty programs.

III. Summary of the SPI Systems Change Activities

The amount and type of systems change activities conducted by the SPI projects varied considerably between the SSA funded demonstrations and the RSA systems change projects. The SSA funded SPI projects were first and foremost research demonstrations that developed intensive, specialized interventions targeted toward a small group of beneficiaries, implemented under the limitations of a formal evaluation design. Systems change activities were allowable tasks under the SSA funded SPI cooperative agreements, but most programs used the overwhelming amount of their resources on research interventions and allocated relatively few resources to systems change efforts. In contrast, the RSA funded systems change projects had much greater freedom to direct project resources towards systems change efforts, both at the local and state level. The information presented below focuses on the 12 SSA funded projects.

There was considerable variation in the manner in which the various SSA funded SPI projects engaged in systems change activities. Several states (e.g. Iowa, New Mexico, and Vermont) devoted considerable resources to promoting state level policy and legislative changes in areas related to the expansion of health care options, improved access to the workforce development system, and improvements to existing funding streams. Other states (e.g. New Hampshire and New York) focused their attention on the development of multi-agency governance structures that served as a vehicle for various state level initiatives. Still other states (Minnesota, Oklahoma, and Wisconsin) focused on the creation of statewide service delivery structures that coordinated the use of SPI resources with other funds to expand benefits planning and employment services to the largest number of individuals as possible.

Several SPI projects (California, Illinois, North Carolina, and Ohio) focused virtually all their resources on implementing research interventions with a targeted population of beneficiaries and spent relatively little time in systems change activities. While staff members in these states frequently represented the SPI project on state and local work groups or other collaborative efforts, systems change activities comprised only a small part of the projects' overall work scope.

The SPI Projects in certain states had fairly specific focuses which are worth mentioning. Illinois had a Psychiatric Specialist Training Initiative and attempted to get a Medicaid Buy-In. Iowa concentrated on developing partnerships with businesses. Minnesota concentrated on being the premier BPAO provider. New Hampshire concentrated on developing capacity and infrastructure for providing benefits counseling and work incentives information. Additionally they provided Individual Career Accounts and Credit Union Access for a subset of their participants. New Mexico developed a strong emphasis on Peer Associates. Vermont's major system change initiative was to implement the Individual Placement Support (IPS) model in the Vermont Community Mental Health System. IPS is a "person-centered team-based" approach, which is a consumer directed process which identifies barriers to employment and includes in-depth benefits analysis and counseling.

Summary of Systems Change Accomplishments

The SSA funded SPI projects achieved considerable success in terms of forming new collaborations and partnerships across multiple state agencies, encouraging State VR agencies to focus attention on the unique needs of SSA beneficiaries, and promoting the expansion and coordination of benefits planning and assistance services in their states. The projects were less successful in terms of encouraging greater participation on the part of state mental health agencies, business organizations, and employers in efforts to promote improved employment outcomes among SSA beneficiaries.

Sustainability, defined as being able to use and apply what was developed in, or learned through, the projects to promote improved employment outcomes for people with disabilities requires special attention. For example, the Wisconsin project was able to generate capacity that could be used by external parties to replicate the WPTI

approach, but at the state level, sustainability may be unlikely because in an era of state funding shortfalls there is little incentive to bundle separate fee-for-service authorizations into a funding package that can support an integrated service approach as required in a SPI Project like Wisconsin's. The WPTI developed and/or funded materials that documented service approaches and how to train and support the staff who would use these materials to work with consumers. These materials are now available for use elsewhere. A substantial portion of the capacity developed through the WPTI to facilitate the employment goals of beneficiaries with serious disabilities remains after the cessation of the SPI Project in Wisconsin. This includes the increased availability of high quality benefits counseling through the growth in the number of trained and available benefits counselors and through the establishment of the Wisconsin Disability Benefits Network which resulted from the SPI Project.

Benefits counseling existed before the SPI Project, but it was not delivered as uniformly or as intensely as it was by the SPI Projects that implemented it as an intervention. It was the intensity level of the benefits counseling in SPI Projects that created a model that would serve well for adoption by other entities within States that are trying to address the issues faced by SSA beneficiaries seeking employment. Statewide benefits counseling networks and organizations emerged during the time that SPI existed, such as in Wisconsin and Ohio, that continue to promote the delivery of consistent, accurate, and timely information on SSA and other public benefits.

The SPI population benefits from ongoing benefits counseling, during all phases of the working experience. The New Mexico project noted that services need to be viewed as stable and consistent over time in order for participants to fully trust the programs. California reported that benefits counselors are effective before employment and, for those clients who went back to work before getting benefits counseling, during employment. Finally, Illinois reported that benefits counselors were needed on an ongoing basis in order to deal with errors or inconsistencies in SSA benefits. In Wisconsin, participants required significant support, such as job coaching and transportation services to retain employment. Several projects reported a need to identify resources for long-term supports from county social service agencies or case management organizations. Overwhelmingly, the process analysis of the state projects showed the importance of benefits counseling, concern about the SGA, consumer satisfaction with increased choice and control.

IV. What Effect Did SPI Have on Participant Employment?

Summary of the Findings from the Impact Evaluation

The most reliable estimates of the effect of SPI on employment outcomes come from the analyses in the three states that used random assignment: New York, New Hampshire, and Oklahoma. Prior analyses (Peikes, Orzol, Moreno, & Paxton, 2005) indicate that the nonexperimental methods used by most of the states' internal evaluations and a simple analysis of participants' outcomes based on the SPI core data

set may not provide reliable estimates of program impacts. Even a sophisticated nonexperimental method (propensity score matching) that took advantage of hundreds of variables did not correctly estimate program impacts. A simple comparison of changes over time among participants without considering a control group can lead to erroneous conclusions. For example, in New York, the employment rate of the treatment group offered benefits counseling and waivers fell over time, but because the control group's employment outcomes fell even more, it can be concluded that the project actually increased employment.

To summarize outcome findings in the three states, while benefits counseling and employment services can sometimes increase the proportion of beneficiaries who work, none of the interventions increased earnings, and participants in one project actually reduced earnings substantially. These findings are based on FICA-covered earnings reported in the Summary Earnings Record data. The presence of any earnings was used to identify whether the beneficiary had been employed.

It is important to note that these findings are based on very short follow-up periods of six to twelve months. It is possible that increased work exposure will lead to greater earnings in the long term. For example, the average length of stay in state vocational rehabilitation agencies is just over two years, and vocational rehabilitation clients often receive much more intensive interventions than those available to participants in the SPI project. In most states, the SPI project intervention represented a relatively modest commitment of resources that was focused on benefits counseling. While the evidence is somewhat mixed, the services seem to have increased employment rates but have not affected or reduced earnings in the short-term. Long-term effects are uncertain and will depend on the use of other services and the effects of entry-level employment on long-term career growth and advancement. While benefits counseling alone seemed to not produce the desired effect of increasing the rate at which people earned their way off the rolls, it may, nevertheless, be an important component of a more comprehensive and long-term strategy.

The three state projects with randomized designs served a population that was disproportionately SSI and nearly all had a primary or secondary diagnosis of mental illness. Seventy-four percent were SSI-only beneficiaries, and 24.5 percent were concurrent beneficiaries; 94 percent had a mental illness. However, the three state projects designed and delivered interventions that were "typical of those provided by other projects, emphasizing benefits counseling and targeted case management that attempted to connect participants with available employment services.

The three state projects that used randomized designs offered four different intervention packages. New York offered two separate intervention packages to SSI beneficiaries with psychiatric disabilities in New York City or Buffalo. The first package provided benefits counseling and tested changes to SSI regulations that allowed SSI beneficiaries who worked to retain and save more money. The waivers to SSI regulations make work more lucrative by letting people who work retain 75 percent of their earnings, after a disregard, instead of the usual 50 percent. The waivers increase

the wage rate beneficiaries received from working. Theoretically, this may increase or decrease work effort and earnings, depending on the beneficiaries' preferences about work and non-work activities. On the one hand, increased wages can increase earnings as the higher wages encourage people to work more and reduce non-work activities (called the "substitution effect"). Increased wages can also decrease earnings as people can earn the same amount from working less (called the "income effect"). The second package New York tested provided the same intervention as the first and added employment services to help people to find, apply for, and maintain work. Unfortunately, New York did not collect data documenting the hours of project services that it provided.

Oklahoma targeted SSI beneficiaries with psychiatric disabilities in northern Oklahoma City, Muskogee, Payne, or Tulsa who were not employed at randomization. Oklahoma provided participants with benefits counseling and a voucher they could use to obtain services of their own choosing. Through March 2002, participants who used the vouchers received an average of 44 hours of services, or four hours per person per enrolled month. All participants received benefits counseling (averaging ten hours per month) and job services through the vouchers (averaging five hours). More than three-quarters of participants received case management (averaging seven hours). Fewer than one-quarter of all participants each of the following services: supported employment, placement assistance, situational assessment, job training, psychosocial rehabilitation, job accommodations, or transportation assistance.

New Hampshire targeted SSI and SSDI beneficiaries in Derry, Keen, Manchester, or Portsmouth. The intervention used a service resource consultant facilitate beneficiary choice and control over their vocational services. Participants who completed the resource planning components of the intervention became eligible to use funds that might otherwise have been available to them through social service agencies, such as the state's vocational rehabilitation (VR) agency. The funds were placed in an Individual Career Account and could be accessed through a fiscal intermediary. The account allowed the participant, rather than the agencies, to direct vocational spending. The treatment group received an average of 15 hours of benefits counseling and eight hours of case management.

The control groups in New York and Oklahoma had access to the usual package of services and supports available in their communities. In addition to the usual services available in the community, the New Hampshire control group also received an average of 2.5 hours of benefits counseling from the State Partnership Initiative (SPI) project (Peikes & Sarin 2005).

Summary of Impact Effects - Three of the four intervention packages fielded by the three states with randomized designs increased the proportion of participants who worked during the year after the randomization year compared to the year before randomization by 9 to 18 percentage points relative to a control group. However, in one state project with a small sample (New Hampshire), the proportion employed decreased by 30 percentage points relative to the control group.

Despite the promising effects on employment for three of the intervention packages, the interventions either had no effect on earnings or a *negative* and statistically significant effect on the annual earnings of participants ranging between \$1,080 and \$1,633.

Placing these findings in the context of other SSA demonstrations, the positive employment effects are comparable to those found in the evaluation of the Transitional Employment Training Demonstration (TETD), which found that the intervention increased the probability of being employed by nine percentage points during the sixth year after randomization. Project NetWork had no effect on the proportion employed. The negative or no effect on earnings in the SPI interventions, however, are disappointing because both TETD and Project NetWork increased earnings by an average of about \$714 per year over the six years after randomization.

These findings are not influenced by low participation rates in SPI and are unlikely to be influenced by missing data. The impact estimates presented above were calculated among participants only. Because not everyone randomized in Oklahoma and New York actually participated, the analysis first calculated overall impacts comparing the whole treatment and control groups. Since it was assumed that nonparticipating people in the treatment group would not have changed their employment behaviors, the analysis calculated per participant impacts by dividing the overall impacts by the participation rates. For example, if the overall impacts were \$100 but only 25 percent participated, participants' earnings increased by \$400 ($0.25 \times 400 + 0.75 \times 0 = 100$). In terms of missing data, the estimates rely on federal income tax earnings data contained in the Summary Earnings Record, so the only issue of missing data is that the files do not cover "off the books" employment; federal, state, local, and railroad employees; domestic workers earning less than \$1,500 per employer, farm workers earnings less than \$2,500, and self-employed people earning less than \$400. As a result, we would expect the earnings we estimated for both the treatment and control groups to underestimate their true earnings. For these data exclusions to alter the impact estimates, the treatment group would need to be more likely to enter the excluded types of employment as a result of the demonstration than the control groups. This is possible, but seems unlikely. Using state unemployment insurance data that does cover state and local employees, Peikes (2004) estimated the impacts in NY, and the results were similar to the results based on SER data.

There are several possible explanations for these findings of negative or no effects on earnings. First, it is possible that benefits counseling (and the SSI waivers) may enable people to work less to retain the same income level. This would occur if their benefit amounts increase sufficiently to offset the decline in earnings, leaving them with the same total income. Second, it is possible that the findings reflect the specific population served, which was disproportionately comprised of SSI beneficiaries with psychiatric disabilities. Randomized demonstrations with different populations may produce different results. Third, the results reported above are short-term findings, and state project staff reported that changing participants' attitudes about work would take time. Thornton et al. (2005) found that beneficiaries generally receive VR services for an average of 26 months (780 days) before a "successful closure" occurs (indicating that

the person has been employed for 90 days). We therefore recommend observing a longer follow-up period to determine whether annual earning measures increase to reflect any short-term human capital investments in their human capital through education or training programs or changes in attitudes towards work.

A final possible explanation for the lack of positive earnings impacts is that the interventions employed by the SPI projects were simply not of sufficient intensity to achieve the intended outcomes. A major finding of the SPI initiative is that benefit counseling by itself is not a sufficient intervention that can be expected to significantly impact the employment of beneficiaries. Without access to intense, ongoing direct employment services, it appears unlikely that beneficiaries will be able to obtain and maintain employment at levels that would lead to economic self-sufficiency and reduced dependence on SSA benefits. While the three projects that employed randomization designs all delivered some type of direct or indirect employment supports (as did the majority of all SPI projects), it appears that these supports were not of sufficient intensity to overcome the obstacles to employment faced by beneficiaries.

In summary, the SPI projects had a very weak effect on the employment of participants. The lack of a strong, positive effect appears to be caused by the inability of the SPI projects to deliver the amount and type of employment supports necessary to overcome barriers to employment faced by participants. It is highly unlikely that the lack of strong positive impacts is an artifact of low SPI participation rates or missing data.

The major implication of these findings is that SSA should not assume that the delivery of benefits counseling in isolation will not have any type of effect on the employment participation of SSA beneficiaries. When designing future demonstrations and program reforms, SSA should ensure that beneficiaries have access to employment services of sufficient intensity and duration to enable them to obtain employment in their chosen field, successfully adapt to the work setting, and retain employment even during periods of changing health status and service interruptions.

Summary of Findings from the Individual State Project Evaluations

All Projects attempted to develop a comparison group design and a pre-post analyses. Projects differed in the extent to which comparison groups were chosen randomly, had members who were matched to the participants on relevant characteristics at baseline, or was essentially a convenience sample. Seven Projects (California, Iowa, Minnesota, North Carolina, Ohio, Vermont and Wisconsin) had evaluations that included matched comparison group designs. New Mexico used a non-equivalent comparison group design.

Four Projects (New York, New Hampshire, Illinois, and Oklahoma) developed experimental designs with some level of randomization to participant or comparison group. Only Oklahoma had a true control group, with SSI beneficiaries randomly assigned to the treatment or control group prior to any contact by the project. New York,

New Hampshire, and Illinois randomly assigned individuals who expressed interest in the project to either the treatment or the comparison group.

Nature of Comparison Groups

Matched comparison groups were designed to minimize differences between treatment and comparison groups on key factors such as benefit status, prior educational status, demographic characteristics, and program status. Most projects wanted to minimize differences between the participant and comparison groups with respect to SSA benefit status at baseline (e.g.; SSI, SSDI, or concurrent). Second, they matched on demographics that have a high correlation with earnings (labor market proxies) at intake, including prior education, primary disability, and gender. Third, some projects, notably Vermont and New Mexico, matched on many characteristics describing the participant relative to the Vocational Rehabilitation (VR) system (e.g., maturation in the VR system). California, New Hampshire, Oklahoma and Wisconsin had more than one comparison group, in an attempt to examine geographical and timing issues associated with the evaluations.

The Comparison Being Made: Outcome Measures

Generally, the evaluation designs and data collection procedures were designed to detect differences (in both the pre-post analyses and between participants and comparison group members) on the dependent variables of employment, earnings and SSI/SSDI benefits (both presence or absence and amounts). Some Projects also compared trends in benefit levels between these groups for other federal aid programs, such as food stamps and subsidized housing, or for state aid programs, especially state supplements to Medicare and Medicaid. Use of work incentives by participants was also tracked by five projects.

Most Projects measured employment related outcomes by considering differences in employment rates, hours worked and earnings, either on a quarterly or monthly basis relative to intake. Some Projects modeled differences in these measures between participant and comparison groups over time. All projects controlled for differences in the groups at baseline (e.g.; the “difference in difference” approach, etc.).

Sources of Data

All Projects collected a core set of data elements (the SPI Core data set), allowed for the aggregation of data across SPI Projects. Most Projects also took advantage of administrative data collected from state level sources. With the exception of Ohio, which used no administrative data, the Projects accessed these data by means of memoranda of understanding (MOUs) among the different state agencies. The two main sources included individual unemployment insurance (UI) data from the state’s Department of Labor (DOL) and data from the state’s Vocational Rehabilitation (VR) system.

Longitudinal Considerations in the Evaluations

As described in Piekes, et.al., (2005), obtaining sufficient longitudinal data to complete planned analyses was a problem for many projects. Longitudinal considerations enter the evaluation design in three primary ways. Most Project evaluation designs chose to conduct the comparison group evaluations on participants and corresponding comparison group members with at least six or 12 months of follow-up.

Projects differed with regard to the statistical procedures used to accommodate the repeated measures nature of a longitudinal analysis. Almost all Projects implemented pre-post Chi-square tests of the categorical outcome variables of employment, SSI participation, and SSDI participation. Major analysis methods used by the Projects for continuous variables such as earnings and SSA benefit amounts include the difference in differences methodology applied to logistic regression (for employment or program participation) and ordinary least squares (for wages and mean benefits). Projects using this approach include New York, Minnesota, and North Carolina. Repeated measures analysis of variance (ANOVA or MANOVA) was a primary analysis method in New Hampshire, New Mexico, and Ohio. Generalized linear models (e.g., mixed effects and generalized estimating equations) were used in Iowa, Vermont and Wisconsin. California concentrated on time trend methodology, and New Hampshire used hierarchical linear modeling.

Overall Strengths of the State Evaluation Designs

The evaluation designs employed by the SPI Projects possessed a number of strengths. The projects served an average of over 600 individuals. All projects developed comparison groups and four implemented random assignment designs. Extensive baseline data was collected in all projects, which allow the use of pre-post analyses. Eight of the projects created memoranda of understanding (MOUs) to allow confidential data sharing. The Projects also had access to SSA data for both participants and comparison group members, which greatly assisted in the completion of net outcomes analyses.

The rigorous planning, data collection, and outcomes requirements from SSA helped to expand the human service research base of many of the Projects and their states. The participant data collected through the SPI core data set used standard definitions and data collection procedures. The SPI core data set was a managed database. The Projects sent their data quarterly to the SPI Project office at VCU, where it was assessed for quality and completeness, and discrepancy reports were generated for the Projects. The Projects then corrected the discrepancies and obtained any missing data. This allowed the Project Office to aggregate data across Projects for more powerful analyses. Since the Projects worked directly with the participants, they had a great deal of success obtaining baseline and follow-up data. This alleviated many of the issues related to missing or inappropriate data that often plague administrative data sets.

The richness among the SPI States in their interventions, evaluation designs and analysis methods are invaluable in understanding what worked best for improving the employment of participants with disabilities. Each project documented the service and policy gaps that it sought to address in order to improve employment and financial independence among people with disabilities. The evaluation designs attempted to uniformly address the comparison being made in the evaluation, the methods for selecting comparison groups, the data used in the evaluation and the analysis methods used by each state. These designs generated rich data sets that enable SSA to understand how the characteristics and participation patterns of participants differed among the states, and how participants differed from eligible beneficiaries who did not participate.

Overall Weaknesses of the State Evaluation Designs

The SPI projects faced many evaluation challenges that had a serious negative impact on their ability to analyze the effect of their intervention participant outcomes. These challenges included difficulties in identifying appropriate comparison groups, problems in implementing random assignment designs, contamination of the comparison group, and lack of control over administrative data, and lack of sufficient follow-up data collection.

Challenges in Identifying Appropriate Comparison Groups – Obtaining complete information on comparison group members often made it difficult to determine the extent to which comparison group members were similar to participants. It was often not possible to match comparison group members to participants on key variables such as prior earnings or education. In some instances, comparison groups were nothing more than a convenience sample of data on individuals served in one of the partner agencies participating in an individual project.

Problems in Implementing Random Assignment Designs - Random assignment to the treatment and comparison groups is the best way to eliminate bias. However, random assignment is very difficult to execute in human services research. Four Projects (New York, New Hampshire, Illinois, and Oklahoma) had experimental designs with some level of randomization to participant or comparison group. Only Oklahoma had a true control group, as SSA recipients were randomly assigned to the treatment or control group prior to any contact by the project. New York, New Hampshire, and Illinois randomly assigned individuals who expressed interest in the project to either the treatment or the comparison group.

Contamination of Comparison Groups - Contamination of the evaluation design by comparison group members becoming participants was problematic for some of the Projects. For example, in Ohio, some comparison group members were actually wait listed for the project services. Perhaps most significantly, in all eight projects employing comparison group designs, the fact that some comparison group members got services that were much like those provided to the participant. The fact that the BPAO initiative began implementation during the SPI Project research cycle made it a challenge for

many Projects to administer the comparison group analyses. Comparison group members got the standard vocational rehabilitation services, including some employment supports. The service mix changed over time so that some of the comparison group members were getting BPAO assistance, which was very similar to the SPI Project demonstration. Although interventions were as controlled as possible, there is likely some level of contamination of the comparison groups in some of the states. The effect of this contamination is to make it more difficult to prove that the SPI Project had an impact (i.e., to find significant differences between the participant group and the comparison group), because members of the comparison group may have received BPAO services.

Lack of Control Over Administrative Data - The lack of control over the administrative data became a significant problem for the projects. For example, undercoverage of employment and wages in the UI data is problematic for all SPI Project designs using UI data. The Wisconsin project carefully considered this issue. For 279 participants, the Wisconsin project compared self-reported employment rates to administrative employment rates at three points in time – the quarter of project entry, four quarters after project entry and eight quarters after project entry. At all three time points, the self-reported employment rate is higher than the administrative employment rate, suggesting that the UI system is not capturing some forms of employment or employers for the WPTI participants. Trend data from the two sources diverge somewhat over time as well.

Lack of Sufficient Follow-Up Data - As was noted earlier, the minimum follow-up timeframe used by most Projects is much too short to assess the effectiveness of the intervention on the initial primary goal of the SPI Initiative; to increase participants' self sufficiency enough so that they feel comfortable being removed from the SSA rolls. It was, however, long enough to see significant improvement in that direction. All Projects recorded significant improvement in earnings of participants, and several noted reductions in SSA benefits. However, in order to achieve sufficient sample sizes, a few projects were forced to change their outreach and recruitment efforts over the course of implementation. In at least one instance (Wisconsin), this led to cohort effects, in which individuals enrolled in the latter stages of implementation differed significantly from individuals enrolled earlier in the process.

V. What Effect did SPI Have on Reduction of SSA Benefits Received?

Summary of the Findings from the Analyses Using the SPI Core Database

Final analyses using the SPI core database (VCU, 2005) reveal that participants experienced statistically significant reductions in SSA benefit payments at each of the 6, 12, 18 and 24 month follow-up periods. Although some participants experienced a large decrease in SSA benefits over time, overall the reduction was fairly small. Therefore,

this could not be considered a strong effect. These findings may be explained by the number of Projects used in the analyses and the type of analyses performed.

The majority of participants received Medicaid or Medicare, with lesser percentages of participants receiving Housing Assistance (25%), Food Stamps (25%) and other State or Local Support (10%). Very few participants received the other public benefits on which information was collected. There was considerable movement of participants both on and off several of the public benefits that were tracked in the database, primarily occurring in the first six months post intake. In many instances, this increase followed immediately after the delivery of benefits counseling services, when the Participant would have become aware of the potential benefit of the program.

Limitations of the Findings

All SPI aggregate analyses performed by the VCU Project Office utilized SPI Core data, which is the core set of data elements that all Projects were required to collect. Although changes in self-reported benefits payments were tracked, it was not possible to accurately determine the effect of SPI participation on the number of beneficiaries actually leaving the SSA rolls. Because of the complexities of SSA enrollment (various levels, including eligibility with non-payment and overpayments), participant self-reports of benefits status over time were highly unreliable. Although SSA administrative data through August of 2003 was made available to the Projects, and some Projects utilized these data for their individual Project analyses, many projects were still actively recruiting and serving participants at that time.

The aggregate employment outcome analyses that were performed by the VCU Project Office span intake through September 30, 2004. Since an individual is allowed a period of employment (which was extended for those participants who utilized SSA waivers) before being removed from the SSA rolls, it was not possible to perform valid outcome analyses with SSA administrative data from August 2003. Therefore, the VCU Project Office did not use SSA administrative files to document this potential effect of SPI. However, it may be possible to perform these analyses in the future with SSA administrative data. Benefit periods vary greatly from participant to participant depending on individual circumstances, in addition to the types of benefits received (e.g.; SSI, SSDI, Blind, or Concurrent). Benefits end the month after the first month that a beneficiary engages in substantial gainful employment following the extended period of employment. To fully assess the effect of SPI on participants leaving the SSA rolls, a minimum of three additional years follow-up (post services) is recommended. By extending follow-up three years, a larger cohort would have reached the termination point in their benefit process, and a more valid analysis of the impact of SPI participation on long-term benefits status could have been conducted.

VI. Summary of Final Evaluation of the SSI Work Incentives Demonstration Project

The Social Security Administration (SSA) authorized implementation of the SSI Work Incentives Demonstration Project, conducted under the authority of section 1110(b) of the Social Security Act, on January 26, 2001. Also known as the SSI Waiver Demonstration Project, the SSI Work Incentives Demonstration was implemented by the State Partnership Initiative (SPI) Projects in California, New York, Vermont and Wisconsin. Although the Vermont Project enrolled a small number of participants in March and April, implementation across all four of the Projects began in May of 2001. The SSI Waiver Demonstration Project implementation ceased as of September 30th, 2004. The Final Evaluation Report of the SSI Work Incentives Demonstration Project, completed by the SPI VCU Project Office in 2005, and submitted with revisions to SSA in May, 2006 (VCU, 2006), constitutes the research analyses and final report for this endeavor.

The Waiver outcomes were distinguished from the full SPI study outcomes by performing three independent outcomes analyses. First, to identify overall change in the Waiver demonstration study sample, statistical outcome analyses were performed comparing the employment outcomes of participants who used the Waivers to their employment situations at intake. Next, to determine whether there are differences in employment outcomes between the Waiver demonstration study sample and SPI participants who received the same SPI services, statistical outcome analyses were performed comparing the employment outcomes of participants who used the waivers to participants within the same projects who were eligible for the Waivers, but did not enroll. Finally, outcomes of participants (who would have been eligible for the Waivers) served by Projects who did not offer the Waivers were compared to the outcomes of those participants who used the Waivers.

Two comparison groups were therefore chosen: 1) the participants within the three state Projects that did not enroll all participants in the Waivers; and 2) the eligible participants in the other SPI Projects that were not included in the Waiver demonstration. For analyses to highlight the Waivers specifically, the Waiver data was aggregated across the four states. This aggregation is valid, even though there are slight differences in Waiver tracking methodologies across the four states. In an attempt to separate the effect of the Waivers from the effect of the SPI interventions, the primary SPI Project intervention, benefits counseling, was used as a covariate in the statistical analyses.

The Waiver Demonstration was conducted in addition to other services provided as components of the State Partnership Initiative. Viewed as a complete package, the analyses provide an indication of the effects of the Waiver Demonstration above and beyond the SPI Project interventions, but not independent of the SPI implementation. The analyses reviewed the data from three different vantage points to attempt to differentiate the Waiver component from the rest of SPI. However, wide variation in the implementation of the benefits counseling component of SPI precluded the analyses

from being as independent as originally conceptualized. Therefore, to provide a valid comparison, any replication of this Waiver Demonstration would need to include at least the benefits counseling component as piloted in SPI.

For some Waiver participants, especially those who were unemployed at intake, participation in the Waiver Project had a sizable positive effect on their employment outcomes. Although over a third of participants did not attain employment, and participants who were employed at intake experienced far less positive outcomes, overall there was significant improvement.

Even when the comparison group analyses accounted for the variance in gross wage change related to these demographic and prior experience differences in the sample, the Waiver participants had a significantly greater mean improvement in wages over those who were employed, but were either served by the same Projects but did not receive the Waivers, or were served by Projects that did not offer the Waivers. It is very interesting that the two comparison group analyses turned out so much alike. Although different independent variables were chosen (because they were based on the comparisons of the differences in demographic variables between the groups), the same variables ended up being significantly different in the two analyses.

For both of the comparison group analyses, the most significant variable was employment at intake, with those who were not employed at intake having a much greater increase in income. This is logical, as those who were employed at intake also have the potential to have a decrease in earnings, and in fact many participants did. Further review of the data in the form of case studies could reveal which of the wage reductions was related to Project services, and which were totally unrelated (e.g.; participant became ill or moved out of the area). Although there was a great deal of variance in change in wages for those Waiver participants employed at intake, the average change was positive.

For both of the comparison group analyses, in addition to receipt of the Waivers and employment at intake, primary disability, race and prior education were found to have a significant relationship with changes in gross earnings. Prior education was the most highly significant of these demographic variables, with those with college experience having greater improvement (VCU, 2005, pp. 41 and 43). Race was just barely significant, and is possibly due to regional differences. Primary disability was probably significant because the New York Project targeted individuals with mental illness, and did not contribute participants to either comparison group. Regardless, the statistical analysis used partitioned the variance in gross wage attributable to these three variables, and concluded that Waiver participation had a significant relationship to earnings even when demographic difference in the samples were accounted for.

Although these analyses show that the Waivers did indeed have a positive effect, the Waiver (and SPI in general) did not help every participant. A very sobering fact is that over one-third of the Waiver demonstration sample never became employed during the course of this study. A full 644 waiver participants (38.4% of the 1676 Waiver

participants for whom data were available) remained unemployed throughout the study. Additional case reviews could possibly reveal potential reasons for why these participants did not obtain employment, both related and unrelated to the Waiver demonstration and State Partnership Initiative.

VII. Implications for Future SSA Demonstrations

The findings of the State Partnership Initiative are mixed. If one was to look at the impact estimates and outcome analyses, the SPI projects were not able to demonstrate a significant impact on the employment outcomes and benefits status of SSI and SSDI beneficiaries. In general, Participants did not experience increased earnings, and there was only a minimal increase in the rate of employment (Peikes & Sarin, 2005; Peikes, Orzol, Marino, & Paxton, 2005; VCU, 2005). SSI Waiver Demonstration participants, especially those who were not employed at intake, fared better than the general SPI participant group, but in absolute terms their employment and benefit outcomes were not large enough to have a significant impact on their economic self-sufficiency (VCU, 2005).

Yet, the SPI projects did have a major positive impact both on many Participants' lives and on the State systems that provide employment services and supports to SSA beneficiaries. This finding is confirmed throughout the process evaluations conducted by the State Projects and reported in their individual Internal Evaluation Reports. Not only did SPI have an impact on system change within States, it also had a national impact as evidenced by the following (VCU, 2005):

- SPI Projects developed interagency governance structures that resulted in numerous state agencies working together to address barriers to employment for SSA beneficiaries for the first time.
- The SPI Projects led the way in the establishment of a nationwide system of Benefits Planning Assistance and Outreach (BPAO) Projects, with many staff involved in the on-going training provided to these projects.
- Several SPI projects were instrumental in facilitating the development and/or implementation of Medicaid Buy-Ins in State Projects, at first through the Balanced Budget Amendment and later through the Ticket to Work and Work Incentives Improvement Act (TWWIIA).
- The model for the Disability Navigators initiative within the One-Stop Career Center system that is currently under the Employment and Training Administration of the U.S. Department of Labor was initially developed through the Colorado RSA-funded SPI Project.

- The SPI Projects had considerable success in encouraging State VR agencies to place a new emphasis on services and supports leading to employment of SSA beneficiaries.
- In a number of SPI Projects, the use of benefits planning and assistance services by the State Vocational Rehabilitation agency became a “routine” component of service delivery for SSA beneficiaries.
- Multiple SPI projects demonstrated effective strategies for coordinating the efforts of employment service projects with local SSA Field Office staff.

While the State Partnership Initiative failed to validate a set of evidence-based practices that have a strong, positive impact on the employment status, earnings, and benefits status of beneficiaries, the Initiative generated a great deal of information that can assist SSA in the design and implementation of future demonstrations. Major implications of the initiative are discussed below. Where appropriate, recommendations for the design of future SSA demonstrations are also provided.

Data collection systems need to be developed prior to enrollment. The cooperative agreements with the State Projects and the contract creating the SPI Project Office came into existence almost concurrently at the beginning of FY 1999. Although most Projects did not begin enrollment of participants right away, the California Project began to serve clients in January 1999. At that point, the data collection system was still under development and still needed testing. VCU did provide California, and the other Projects that began enrollment, with draft data forms, but these forms changed significantly with additional data elements being added to meet the expectations of SSA, as well as clarification as to what were the required data elements for the RSA Projects. Much of the confusion and additional work that was required in going back and collecting the additional information and then putting it into the format of the final data entry system could have been avoided if the data collection system had been ready for testing prior to enrollment.

Once a data collection system has been created, tested, and approved, it is imperative that there be clear definitions of the data elements in writing, and that all data entry personnel from all Projects receive training in the use of the data collection system. The VCU SPI Project Office developed a very extensive, complete dictionary for the data elements, but the Project Office did training and interpretation of definitions as questions arose, rather than prior to data collection.

Recommendation: When designing future demonstrations, SSA should ensure that data collection systems are developed prior to participation enrollment. In addition, SSA should ensure that training in the use of the data system be available in multiple formats and available throughout the course of the demonstration.

For a research and evaluation initiative such as SPI that involves multiple states and multiple sites within states, SSA should require the use of a single data entry program. For multiple reasons, including the accommodation of Projects that had a previously existing data system, the VCU Project Office allowed three different methods of data collection for the SPI Project. One was the direct collect of information using the VCU forms and submitting the hard copies that the VCU SPI Project Office entered into the data system. The second method was through the use of a computerized data program that was identical to VCU data forms. The third method involved using a data collection system/database that the State Project had access to, and putting in and pulling from it the data elements required in the SPI database. This third method of data collection usually involved a combination of direct collect data and administrative data.

At the beginning of the SPI Initiative, State Projects were given the expectation that all data would be collected directly from participants no matter the method of data collection, but this quickly became unrealistic for a number of the Projects. Therefore, a combination of direct collect and administrative data was accepted, but the expectation remained that follow-up contacts would result in direct data collection on those applicable data elements. The Projects using both direct and administrative data, and those not using the SPI data collection forms, resulted in a need for translation of the Project's database into the SPI database. This had to be done individually for each of these Projects because methods of data collection were different. This was extremely cumbersome and took up much more time than expected. Also, it required many iterations of verification.

Recommendation: When designing future demonstrations, SSA should determine the data elements that must be collected directly from participants and the data elements that can be obtained through administrative data sets, and then require each individual demonstration site to follow the same data collection approach.

The SPI projects had an extremely difficult time collecting detailed service data from collaborating agencies and organizations. The SPI projects found that collecting detailed data on the services provided by project staff to individual participants was valuable for both their process and outcome evaluations. This was particularly useful for projects that were developing and piloting new staff roles such as benefits planners, consumer navigators, or employment support counselors. At the same time, the projects had an extremely difficult time obtaining information from partner organizations such as One-Stop Career Centers and community mental health centers on the amount and type of services provided to specific project participants.

When conducting rigorous demonstrations, it is imperative that SSA understands the extent to which beneficiaries are able to access and benefit from services provided by partner agencies such as vocational rehabilitation, workforce development, developmental disabilities, and mental health. Self-reports from beneficiaries through surveys or other direct data collection efforts have proven unreliable. Administrative and

program management databases maintained by partner agencies appear to be the most valid source of this information, but the SPI initiative illustrates the difficulties inherent in obtaining this data.

Recommendation: When designing future demonstrations, SSA should require that each individual site develop a plan (including the use of financial incentives) for collecting accurate and reliable information on the type and amount of services provided to participants by specified partner agencies.

The SPI projects were able to access other state administrative data sets, but had to overcome administrative and logistical obstacles to obtain these data. The majority of the SPI projects were able to access administrative data from other agencies in their state. These data were essential for verifying information obtained through direct data collection from participants, obtaining follow-up data on project participants, and acquiring data on comparison or control group members. However, the process for obtaining these data was very challenging in many states. One state had to involve the state attorney general's office to obtain permission for data sharing. The HIPPA requirements made it necessary for many states to review existing data sharing agreements and temporarily suspend access to administrative data. Other states had a very difficult time actually merging the data.

Recommendation: When designing future recommendations, SSA should require that individual demonstration sites have appropriate agreements in place with multiple state agencies to ensure access to any administrative data sets deemed necessary for evaluation purposes. These agreements should be in place prior to the initiation of demonstration activities.

The SPI projects should have used more state administrative data in their process evaluation activities. After the SPI projects revised their evaluation designs to implement primarily quasi-experimental impact designs, they primarily focused on the impact analyses as the primary use of administrative data. However, many SPI projects could have benefited from administrative data that would have addressed process evaluation questions. For example, the California and Iowa projects could have addressed process evaluation questions in part by access to their state VR 911 data system. The Colorado project attempted to access data from the state workforce development system's Job Link administrative set.

Recommendation: When designing future demonstration activities, SSA should require individual sites to consider the use of administrative data sets in the development and implementation of internal process evaluation activities.

The SPI projects found that tracking participants over time was much more difficult and time consuming than they had initially anticipated. The projects that

relied extensively or exclusively on data directly collected from participants found that the process became increasingly difficult as the follow-up period lengthened. Several projects that originally proposed to collect data from participants over the entire course of the project subsequently requested permission from their project officer to shorten the follow-up period to 12 or 24 months. The problems experienced by the SPI projects in tracking participants over time were exacerbated by the projects' general lack of data collection resources. Several projects added additional staff in the later years of the project to focus on locating participants and obtaining follow-up information. Others attempted to elicit support from partner agencies in locating individuals.

Recommendation: When designing future demonstration initiatives, SSA should require that each individual site allocate sufficient resources to enable them to track participant experiences for a minimum of 24 months after the receipt of services. This will assist SSA in (1) determining the long term impact of project interventions and (2) interpreting the findings of national evaluations relying on administrative data.

Several SPI projects did not have sufficient technical expertise to implement rigorous internal evaluation designs. A few of the State Projects had external evaluators built into their Project's budgets, and so did not require more than perfunctory interaction with the VCU Project office for the implementation of the evaluation design of their Project. Other Projects had an evaluation design written into their Project's proposal but did not have any staff associated with their Project with an evaluation background. Therefore, the VCU SPI Project Office developed the flexibility of providing maximum evaluation support (evaluation design, implementation, and analysis) with the Project's that needed a particular level of assistance. By being flexible in the amount and way technical assistance was provided, the State Projects have been able to use the resources provided through the VCU SPI Project Office to complete an interim evaluation of the process they have undergone and the outcomes of their interventions.

Many SPI projects initially hired evaluation specialists who were basic database programmers with prior experience conducting process evaluation and participation analyses. When the evaluation requirements were tightened for the state projects in the second year SPI these evaluation staff members were not equipped to perform the tasks necessary to implement the more rigorous evaluation designs. Specific problems included: the methodological skills required to identify comparison groups; the database manipulation skills that allowed the merging of multiple administrative data sets; and the statistical knowledge and data manipulation skills necessary to prepare the resulting large data sets for analysis and perform the appropriate analyses. A few projects even had difficulty finding qualified SAS programmers, performing analyses on large data sets using Microsoft Access or other database programs.

Recommendation: When designing future demonstration initiatives, SSA should require that individual sites obtain sufficient technical expertise and allocate sufficient resources to enable each site to conduct a rigorous internal evaluation and support the efforts of SSA's national or aggregate evaluation efforts.

A research design for evaluation purposes needs to be developed prior to implementation of Social Security Administration Waiver Demonstrations. The SSI Waiver Demonstration implementation began in the Spring of 2001, almost 2 ½ years after the initiation of the SPI Project. The four State Projects that are involved in the SSI Waiver Demonstration agreed to evaluate the impact of the Waivers through participant outcomes, but developed their evaluation plans for the impact of the Waivers after implementation began. Three of the four State Projects (Wisconsin, New York, California) implemented all four components of the Waiver Demonstration, while one Project (Vermont) only implemented three of the components. The absence of a research design prior to implementation resulted in little consistency in the Waiver specific data elements that were collected among the 4 Demonstration State Projects.

The VCU SPI Project Office was asked to provide SSA with preliminary results of the SSI Waivers in 2004. This was very difficult, not only because of the above inconsistencies in the data being collected, but also because there was no over-all research design developed prior to the implementation of the Demonstration.

Recommendation: When incorporating waivers of program rules into future demonstration activities, SSA should require that an over-all research design be in place prior to implementation and that core data elements be specified and collected by each individual demonstration site. The research design should allow SSA to assess the effect of the waivers independent of all other demonstration interventions.

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