

# DRI News

A Newsletter from the Disability Research Institute

Spring 2005 - Volume 5 Number 1



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## *From the Director...*

As you will see in this issue of *DRI News*, the past year has been one of tremendous accomplishment for the Disability Research Institute. The Adequacy of Incentives Advisory Group (AOI) concluded its 18-months of work by providing the Social Security Administration with actionable recommendations that address the adequacy of incentives in the Ticket to Work (TTW) Program for individuals with significant disabilities who might be “involuntary nonparticipants.” These individuals were identified in Section 101 of the Ticket to Work and Work Incentives Improvement act as: 1) individuals with a need for ongoing support and services; 2) individuals with a need for high-cost accommodations; 3) individuals who earn a sub-minimum wage; and 4) individuals who work and receive partial cash benefits.

Building upon the success of the AOI Advisory Group, the DRI has established the Work Incentives Software Advisory Group (WISA). The WISA group was formed to advise the Social Security Administration regarding future benefits software analysis efforts. Benefits analysis software can help beneficiaries make informed choices about the impact of work on benefits across multiple federal and state programs. They are in the process of preparing their final recommendations.

As you will see in the pages to follow, the Disability Research Institute continues to conduct high quality research using new and innovative technologies and methodologies. With over 20 active projects, it is impossible to review them all in this newsletter. Institute projects are conducted by researchers from across the country, including our partner institutions. Examples include *Understanding State Variations in Return to Work Rates for DI Beneficiaries* (Rutgers); *The Business of Employing People with Disabilities: Four Case Studies* (Northwestern University, Rehabilitation Institute of Chicago); and *Developing an Analytical Web Application for the Disability Research Community* (National Opinion Research Center at the University of Chicago). These projects consistently address the overarching goals of President Bush’s New Freedom Initiative—maximizing economic self-sufficiency, independent living, and informed choice of individuals with disabilities. Please see our website for specific information about these projects.

Finally, I invite you to the National Press Club on April 5, 2005 to attend the DRI’s symposium, *SSA Disability Programs: Comprehensive Work Opportunity Initiative, An Interactive Symposium on Overcoming Multiple Barriers to Employment*. The symposium presentations and policy questions to be addressed will undoubtedly result in thought-provoking and informative discussions similar to last year. We hope you can join us in Washington!



*Tanya M. Gallagher*

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## Advisory Groups Make Policy Recommendations

The Disability Research Institute has formed two groups to advise the Social Security Administration regarding return to work initiatives relative to individuals with disabilities: the Adequacy of Incentives (AOI) Advisory Group and the Work Incentives Software Advisory (WISA) Group. The AOI Advisory Group recently completed its work and the WISA Group is finalizing its recommendations regarding future benefits analysis software development efforts.

### *Adequacy of Incentives Advisory Group*

The Adequacy of Incentives Advisory Group (AOI), formed by the DRI, concluded its 18-months of work by providing the Social Security Administration with actionable recommendations in the form of a final report that address the adequacy of incentives in the Ticket to Work (TTW) Program for individuals with significant disabilities who might be “involuntary nonparticipants”. These individuals were identified in Section 101 of the Ticket to Work and Work Incentives Improvement act as: 1) individuals with a need for ongoing support and services; 2) individuals with a need for high-cost accommodations; 3) individuals who earn a sub-minimum wage; and 4) individuals who work and receive partial cash benefits.

This final report integrated four interim reports submitted to the SSA as the Group’s work progressed. The first interim report, *Recommendations for Improving Implementation of the Ticket to Work and Self-Sufficiency Program*, was delivered in September 2003. In April 2004, the second interim report, *Partnership Plus—The State Vocational Rehabilitation Cost Reimbursement and Employment Network Outcome Payment Option*, was completed. The last two interim reports, *Blending of Resources and Braiding of Funds* and *Recommendations for Enhancing Earnings and Income Through Self-Determination for AOI Targeted Groups*, were delivered in July 2004.

In August 2004, the Group’s set of 10 recommendations for implementation and 9 suggestions for further action that included regulatory and administrative changes for improving implementation of the Ticket Program were presented to the SSA Ticket to Work and Work Incentives Advisory Panel. If these regulatory and administrative charges are adopted some of the disincentives for people with disabilities to use their Tickets would be removed—ultimately reflecting the goals of President Bush’s New Freedom Initiative.

The AOI Advisory Group concluded that beneficiaries with disabilities in the targeted groups may represent more than a small percentage of Ticket holders. Therefore, the Group broadened their recommendations in an effort to improve the adequacy of incentives serving all beneficiaries.

*For additional information about the WISA and AOI projects, please visit the Disability Research Institute website at [www.dri.uiuc.edu](http://www.dri.uiuc.edu)*

*See the specific AOI recommendations on page 4*

### Recommendations of the AOI Advisory Group

Adjust the payment system to Employment Networks (ENs) to allow beneficiaries to progress incrementally toward self-sufficiency in three steps.

Increase beneficiary independence incentives by establishing individual development accounts (IDAs) for beneficiaries who work and meet specified financial eligibility requirements.

Implement *Partnership Plus*, the state vocational rehabilitation cost reimbursement and employment network outcome payment option.

Transfer earning documentation responsibility for purposes of EN payments from ENs to the SSA.

Reduce the disincentive of overpayments by using gross wages and unemployment insurance records to trigger payments and by not penalizing an EN if the SSA determines there was an overpayment.

Allow ENs to make a case-by-case determination of whether to use the outcome-milestone payment system or outcome payment system for an individual beneficiary.

Create a more integrated, comprehensive, implementation strategy for the Ticket Program by considering how complementary services and supports may be funded across federal and state programs and implemented at the local level.

Expand eligibility for using a Ticket to include beneficiaries whose conditions are expected to improve and who have not had at least one “continuing disability review”, childhood SSI beneficiaries who have attained age 18 but who have not had a redetermination under the adult disability standard, and beneficiaries who have not attained age 18.

Delegate responsibility for determining whether a person is “using” a Ticket and “making progress” to the EN.

Establish a national network of 10 research, training, and technical assistance centers.

### *Work Incentives Software Advisory Group*

The Work Incentives Software Advisory (WISA) Group, which is chaired by Eileen Sweeney, Senior Fellow, Center on Budget and Policy Priorities in Washington, D.C., was formed by the DRI to advise the Social Security Administration regarding the future benefits analysis software development efforts. Benefits analysis software can help beneficiaries make informed choices about the impact of work on benefits across multiple federal and state programs. The availability of accurate, comprehensive, easily accessible information of this type would contribute importantly to the success of various employment initiatives for individuals with disabilities such as the New Freedom Initiative and the Ticket to Work and Self-Sufficiency program. The Group met for three full-days and continued their discussions by way of teleconferences and e-mail. They are now preparing their final recommendations for the SSA.

## Selected Current Research Projects

The following are examples of research projects the Disability Research Institute is pursuing this year. For a complete listing of DRI projects, please visit our website at [www.dri.uiuc.edu](http://www.dri.uiuc.edu).

### Understanding State Variations in Return to Work Rates for DI Beneficiaries

**Monroe Berkowitz and Sophie Mitra, Rutgers, The State University of New Jersey**

This study will identify the determinants of cross-state differences in return to work rates. The key question is whether these cross-state differences are the result of differences in the local economic conditions of the states or of differences in the way Disability Insurance (DI) is administered at the state level, in particular the stringency of the disability determination process and the frequency of continuing disability reviews. Other possible sources of cross-state differences include differences in disabled workers' demographic profiles and participation in the state Vocational Rehabilitation. An answer to this question will afford SSA clues as to where expenditures ought to be made to increase the number of persons who leave the rolls to return to work.

### Return to Work Services for SSA Beneficiaries with Psychiatric Disability: What Works?

**Judith A. Cook, UIC Center on Mental Health Services Research Policy**

A major public policy problem in the current decade is the extremely low labor force participation rates of people with psychiatric disabilities, coupled with their overrepresentation among long-term public disability income beneficiaries. This is especially troubling given the existence of evidence-based practice interventions for returning them to the labor force. The proposed research will examine the outcomes of best-practice, return-to-work services directed toward SSI and SSDI beneficiaries with psychiatric disabilities, and contrast their behavior with that of a nationally representative group of beneficiaries with disabling mental disorders. The research to be conducted in this project will involve secondary analyses of a public-use, nationally representative data set (the Survey of Income and Program Participation), as well as analyses of panel data from a multi-site, randomized clinical trial of supported employment (the Employment Intervention Demonstration Program). Mixed effects random regression modeling will be used to conduct multivariate analyses that specifically address the statistical issues commonly found in longitudinal data: serial or nested correlation; individual heterogeneity; missing observations; and time-fixed and time-varying covariates. The information gained from this study will help to inform SSA on how to build effective work incentives and services into disability programs for people with psychiatric disorders.

### Child SSI Program Participation

**Tanya M. Gallagher and Judith A. Richardson, University of Illinois at Urbana-Champaign**

Children who are eligible for SSI also qualify for other publicly funded programs. Two of the largest of these are special education and Medicaid. Although children may participate in both of these programs prior to or concurrent with receiving SSI benefits, there is some indication that

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some SSI children may not be taking advantage of the resources for which they may be eligible. Cross-program participation and eligibility requirements, as well as community resources available to families, including government agencies' outreach and administration of these programs, are all important components for understanding non-participation of eligible families. The project will investigate the patterns of children's participation in SSI, special education, and Medicaid programs in three sites: Alexandria City, VA; Los Angeles County, and Hawaii and identify factors that may be contributing to differences in SSI children's concurrent program participation levels. Investigating the connections between programs is an important step toward understanding how the system of programs actually works for families.

### Medical Evidence Profiles Project

**Tanya M. Gallagher, Tom Prudhomme, and Michael Welge, University of Illinois at Urbana-Champaign**

To aid the disability determination process, SSA has compiled reference sources regarding the characteristics and medical evidence requirements to meet medical information needs at Step 3 of the five-step process. These references are *Disability Evaluation Under Social Security (Blue Book)* and the *Program Operations Manual System (POMS)*. Information in these reference sources and in the *SSA Rulings* is used to determine whether or not an applicant meets or equals the Medical Listings by having a “medically-determinable physical or mental impairment, which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months.” The project will analyze and index information from the *Blue Book*, the *POMS*, and the *SSA Rulings* through text analysis and a user-friendly, electronic data access architecture to facilitate queries across medical impairments. The electronic reference source that is created as a result of this project will facilitate the disability determination process and thereby help to address field office personnel training needs. It also will be a resource for agency process illumination, facilitating identification of issues warranting further policy or procedural consideration.

### Multiple Jeopardies, Discrimination, and the Labor Market: The Conjoint Role of Disability, Race, Gender, and Age

**Edward Yelin and Laura Trupin, University of California San Francisco**

Recent research on employment outcomes suggests that disability in combination with other characteristics that may jeopardize labor market success—race, gender, or age—has a much more powerful effect on employment than any one of these characteristics alone. This project will expand this line of inquiry in several ways, with a special emphasis on the extent to which the labor market success of persons with disabilities reflects objective measures, such as extent of training and experience, or subjective measures, such as the experience of discrimination in hiring, promotion, or job loss. The project will use the 1999 and 2000 waves of The California Work and Health Survey and build upon previous research indicating that disability and health status account for a disproportionate amount of the gap in employment experienced by women, members of racial or ethnic minorities, and older workers. The project team will explore the role that different forms of disability and compromised health play in employment dynamics.



## The Business of Employing People with Disabilities: Four Case Studies

**Allen Heinemann and Alexander Boni-Saenz, Northwestern University, Rehabilitation Institute of Chicago**

The retirement of the baby-boom generation presents society with many challenges, including projected labor supply shortages in certain professions. Recently, emphasis has been placed on examining ways to harness the productive capability of those populations that historically have been excluded or underemployed. The unemployment rate among people with disabilities hovers somewhere around 70%. There are many reasons for this; however, one of the most prominent is the belief that there are significant economic costs to employing people with disabilities, without requisite benefits in terms of productivity. Research in the economics of disability and employment has focused on analyses of income support, health insurance, and accommodations at the level of the labor market. There is a gap in academic research on decision-making processes of employers of people with disabilities. Through analysis of in-depth interviews and documentary evidence of four firms, this project will delineate strategies that work for successful employment of people with disabilities. The particular focus is on managing the economic costs and benefits of hiring disabled workers. Four business cases of firms and an academic multi-case study report will be produced. These cases and academic analysis will lay the foundation for the education of future business leaders and generation of theories for testing with alternative research designs.

## Medical, Functional and Occupational Factors in Disability Determination

**Allen Heinemann and Elizabeth Durken, Northwestern University  
Mary Grace Kovar, National Opinion Research Center (NORC), University of Chicago**

The Social Security Administration's disability determination process faces major challenges. One of the greatest challenges occurs when claimants have a severe impairment that does not meet or equal a medical listing. Claimants who allege a mental impairment pose some of the most challenging disability determination decisions. If a claimant does not meet or equal a listing, the decision process is based on vocational rather than strictly medical criteria. The large number of DDS-reversed decisions by Administrative Law Judges (ALJs) illustrates the complexity of this decision process and consequent opportunities for disagreement. It is disconcerting that the same information viewed by two different systems can result in radically different conclusions. It seems likely that Disability Quality Branch scrutiny of DDS decisions and Appeals Council scrutiny of ALJ decisions contributes to some of the differences. If so, the way information is considered and weighted may be quite different at the two levels of review. The goal of this research project is to help the SSA improve decision-making at step 4 and 5 of the disability determination process by evaluating the functional and occupational factors that affect disability determinations for mental impairment claims. This project will analyze why DDS and OHA decisions differ by examining the common or unique ways that decision makers in different offices use occupational, medical, and functional characteristics. This will result in a better understanding of the measurement properties the SSA utilizes in this process, and perhaps suggest changes in measurement instruments that could reduce the number of denials that are overturned on appeal.

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## **Epidemiologic, Sociodemographic, and Economic Influences on Trends in Disability Rates**

**H. Stephen Kaye, University of California, San Francisco**

Several epidemiological, economic, social, and demographic factors could plausibly account for observed increases in conditions and impairments, thus indirectly affecting disability rates. These factors include rising levels of obesity, lack of economic opportunity during and after the recession, decreased access to health care, reduced stigma associated with mental health conditions, and the aging of the population. The project extends and expands prior analyses using data from the NHIS by focusing on a six-year period from 1997 to 2002, analyzing changes in self-reported activity limitations and SSDI/SSI reciprocity.

## **Developing an Analytical Web Application for the Disability Research Community**

**Mary Grace Kovar, National Opinion Research Center (NORC), University of Chicago**

The National Opinion Research Center proposes to develop a web application for the DRI web site that will make data from the National Health Interview Survey (NHIS) pertaining to Disability Research, easily and quickly available for analysis to the disability research community. This application will make it easy and fast to calculate the total number of persons, or the number of women of childbearing age, or the number of Hispanic men ages 45-64 who are unable to work because of a disability as well as other similar queries. The primary goal of this project is the development of a publicly accessible web application for the analysis of disability data from existing public use datasets.

## **The Relation Between Disability Insurance Benefits, the Reservation Wage and Return to Work**

**Sophie Mitra, Rutgers, The State University of New Jersey**

Social insurance programs, like the Social Security Disability Insurance (DI) program or Workers' Compensation, protect individuals from unanticipated losses in earnings capacity. At the same time, such programs provide a variety of "return to work services" and incentives for beneficiaries to search for a job and transition back to the labor force. Recently, an increasing amount of resources have been dedicated to return to work programs like the Ticket to Work Program currently under way. Invariably, such return-to-work initiatives have been characterized by very low participation rates, and return to work remains rare among DI beneficiaries. Little attention has been given to the trade-offs DI beneficiaries face when considering to search for a job and return to work. The reservation wage represents a key aspect of the decision to search for a job and to work for a DI beneficiary, and hence is an important determinant of RTW rates among DI beneficiaries. The reservation wage represents the amount a DI beneficiary would need to earn at work in order to accept a job. For a DI beneficiary to work, the fundamental requirement is that the market wage (i.e., the wage the person is offered in the labor market by a potential employer) exceeds the reservation wage. The major objective of this study is to examine the determinants of the reservation wage and of the job search status of DI beneficiaries at analytical and empirical levels. The job search status indicates whether or not a beneficiary has looked for a job since joining the rolls.



## **SSDI Work Incentives Choice Research Project**

**Allen Jensen, George Washington University**  
**Robert Silverstein, ARC of the United States**

The purpose of this project is to provide SSA with additional data and policy options for determining the nature and scope of its national demonstration projects designed to enhance return to work for SSDI beneficiaries (including SSI/SSDI concurrent beneficiaries) based on the premise that beneficiaries should be provided a choice whether or not to risk work. The overall goal of the policy option must facilitate cost savings (or at least not result in additional costs) to the Trust Fund and the Treasury. The project will utilize ongoing evaluation activities in the states for Federal policy development as related to creating enhanced work incentives in SSA programs, particularly the SSDI program. The project will also utilize the untapped day-to-day experience of the cadre of benefits planners that have been funded through various federal initiatives. The focus of the project will be to synthesize the results and insights from the state work incentive evaluations with the personal experiences and insights of benefit planners on their one-on-one discussions with SSDI and SSI beneficiaries.

## **Predictive Modeling of SSA Beneficiary, Employer, and Employment Network Attributes Associated with the Use of Return to Work Incentives Phase I: Ticket to Work Incentives**

**Thomas Prudhomme and Michael Welge, University of Illinois at Urbana-Champaign**

The goal of Phase I of this project is to statistically profile the attributes and activity histories of SSA beneficiaries, employers, and ENs participating in the Ticket to Work program, and to study the relationships among the profile models and return to work outcomes. Predictive models can be built from these relationships and used for “what-if” analyses by modifying initial conditions and model constraints.

## **Early Intervention and Early Intervention State Initiatives**

**Monroe Berkowitz, Rutgers, The State University of New Jersey**

Early Intervention (EI) is a multi-year project designed to offer return to work services to SSDI applicants. The project team continues to refine the procedures and evaluation plans for two different service delivery models to be implemented in the three pilot states (New Mexico, Vermont, and Wisconsin). Baseline data will be collected from each state’s provider market and recommendations for provider-applicant information exchange will be developed. In addition, personal interviews with private disability insurance carriers will be conducted in order to understand the factors used to guide case management decisions and to determine if private insurers’ practices may be applicable to the EI project.

## **Job Demands Project: A New Methodology for Evaluating Employment Opportunities for SSDI Claimants**

**Thomas Prudhomme and Michael Welge, University of Illinois at Urbana-Champaign**

This project proposes a unique method for developing a tool to be used by disability specialists during the disability determination decision-making process. Specifically, this tool may prove useful in gathering information related to an individual’s ability to return to his/her past work (Step

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4), or to perform any other work in the national economy (Step 5). The methodology developed in this project will augment work on the DOT and O\*NET. Building on the skills assessment tools in O\*NET and on the structured information in the DOT, this project will develop a tool to generate lists of relevant job titles and descriptions currently available in the publicly accessible labor market. This information will be refined through vocational, legal, and disability determination experts' input so that the mental and physical requirements (or job demands) and skills needed to perform essential tasks are accurately reflected. The resulting information will be used to link an individual to real regional and national employment opportunities (to address Step 5 in the sequential evaluation process).

### **The Impact of Demographic and Labor Force Participation Changes on the Social Security Disability Insurance and Medicare Programs**

**William G. Johnson, Arizona State University**

**Tricia J. Johnson, Rush University**

**Amy Bartels, Arizona State University**

The purpose of the research is to examine the effects of the changing size and composition of the baby boom-aged labor force on the Social Security Disability Insurance and Medicare programs. The study will analyze the interaction of changes in the labor force participation rates, disability rates, and types of impairments for men and women in the baby boom generation to project the effects on the SSDI and Medicare programs through 2025. The Survey of Income and Program Participation for 1997 will be used to estimate the number of individuals meeting SSDI requirements and receiving SSDI benefits. Health care utilization and expenditures for disabled persons receiving Medicare benefits will be estimated using the Cost and Use Files of the Medicare Current Beneficiary Survey for the years 1996-1999.

### **Transition Option(s) for Child SSI Recipients**

**Pamela Loprest and David Wittenburg, The Urban Institute**

The study examines the program participation and employment patterns of child SSI recipients prior to and immediately following their SSI benefit re-determination at age 18 using data from the National Survey of SSI Children and Families (NSCF). These new data provide a unique source of information on SSI children in this transition period and after re-determination. The study is comprised of two parts. First, the transition activities of child SSI recipients ages 14-17 are examined. Then, this initial analysis is extended to examine the outcomes of former child recipients, ages 18-25. This older group includes both those who continue SSI benefits and those who do not.

### **Disability Claims, Review, Hearings and Appeals Procedures: An Analysis of Administrative Best Practices**

**Robert Rich and Thomas Prudhomme, University of Illinois at Urbana-Champaign**

The purpose of the research is to investigate the administrative processes involved in disability determination cases within the Social Security Administration through analysis of the hearings and appeals process. The study focuses on the question of what should comprise the "evidentiary record" to be used in the Disability Determination process. This project will also identify "best practices" from related areas of administrative law and regulation that might be adapted to the Disability Determination process. The project is organized around two methods of inquiry, (1)

assessment of the process of decision-making in the hearings and appeals process and development of the evidentiary record based on focus group discussions with administrative law judges, general council judges, appeals council judges, and other stakeholders; and (2) analysis of best practices from related areas of administrative law that might usefully be applied to the SSA disability determination process through data analysis and interviews with experts in the field of administrative best practices and disability policy. For purposes of this study, “best practices” are those that reduce error, reduce the amount of time required for adjudication of a claim, reduce fraud and abuse, increase cost effectiveness, and satisfaction of stakeholders involved in the system.

### **Evaluating the Long-Term Employment Outcomes of Vocational Rehabilitation Participants using Survey and Administrative Data**

**David H. Dean, University of Richmond,  
Todd Honeycutt, Rutgers, The State University of New Jersey**

This project examines long-term employment earnings using two sets of data: the Longitudinal Survey of the Vocational Rehabilitation Services Program, a 3-year longitudinal survey of VR participants; and VR administrative data from Virginia matched to state unemployment insurance records. Analyses will be performed to compare earnings among those who do and do not complete VR services and to predict earnings using consumer variables, pre-employment earnings, disability measures, and VR interventions. The results will inform policymakers about: (1) the earnings outcomes of VR programs nationally and for Virginia; (2) the ability of VR to promote employment outcomes that meet the requirements of SGA; and (3) the comparison of results obtained from a national survey and state-specific administrative data for VR evaluation.

### **A Qualitative Methodology for Examining the Ticket to Work Program Among African- American Disabled in Chicago, Illinois**

**Carmelita Grady, National Opinion Research Center, University of Chicago**

The effectiveness of the Ticket program in reaching members of the African American community will be explored to improve program development and implementation. The results of focus groups will guide the development of a questionnaire that will allow researchers to collect quantitative data within the African American community that is representative of the specific cultural nuances of that community. Afrocentrism, an African-centered philosophical perspective where words are used to interpret actions, will guide this work. Deliverables include a summary of each focus group, the questionnaire, and a list of recommendations.

### **Back to Basics: Understanding the Vocational Rehabilitation and Ticket-to-Work Needs of Latinos with Disabilities**

**Brigida Hernandez, Depaul University**

The purposes of this project include building scientific knowledge regarding the needs of Latinos with disabilities related to VR services and the Ticket to Work Program, and examining the diversity of needs based on type of disability. A needs assessment will be conducted via six focus groups with two participant groups: (1) Latinos with disabilities who are currently employed; and (2) Latinos with disabilities seeking employment. Information gathered from focus group participants will be used to develop a questionnaire. This questionnaire will focus on the needs of Latinos with disabilities and barriers they encounter when utilizing VR and TTW programs. Fielding of this questionnaire will be the focus of a future study.

## Researcher Q & A

In the last edition of *DRI News*, researchers were asked a series of questions pertaining to their DRI-related research. This discussion continues with researchers Sophie Mitra, Ph.D., Judith Cook, Ph.D. and Allen Heinemann, Ph.D.



Sophie Mitra conducts academic research in public and labor economics in relation to disability programs at the Program for Disability Research at Rutgers University. A native of France, Sophie Mitra earned her master's degree and her doctorate in Economics from the University of Panthéon-Sorbonne in Paris, France. Before completing her dissertation, she was a development practitioner and worked as a consultant for the World Bank and as an overseas fellow for the Overseas Development Institute in London, England.

**Sophie Mitra** discussed her project *The Relation Between Disability Insurance Benefits, the Reservation Wage, and Return to Work*.

**Q:** *How would you describe your DRI-funded project?*

**SM:** The reservation wage represents a key aspect of the decision to search for a job and to work. It is an important determinant of return to work rates among Disability Insurance (DI) beneficiaries. The reservation wage represents the amount a DI beneficiary would need to earn at work in order to accept a job. For a DI beneficiary to work, the fundamental requirement is that the wage offered in the labor market by a potential employer exceeds the reservation wage. The major objective of this study is to examine the determinants of the reservation wage and the job search status of DI beneficiaries at analytical and empirical levels.

**Q:** *What is unique about your research? How does it differ from work that has been done before?*

**SM:** There has been a lot of research on the reservation wage of Unemployment Insurance beneficiaries to understand the length of time people stay unemployed compared to work that has been done on the reservation wage of DI beneficiaries. In fact, there has been limited work on return to work for DI beneficiaries. I am using the New Beneficiary Data System and I hope reservation wage questions will be introduced in future surveys of beneficiaries, as well as questions regarding the number of hours or days they would be willing to work.

**Q:** *Among your findings, which were the most unexpected?*

**SM:** Preliminary results indicate that DI beneficiaries have relatively high reservation wages. A relatively high reservation wage would point toward a limited return to work probability and may explain the low return to work rates of DI beneficiaries. I was also surprised that early results suggest that

beneficiaries who have transitioned to the old age program have relatively lower reservation wages compared to those still on DI.

**Judith Cook** answered a few questions related to her project *Return to Work Services for SSA Beneficiaries with Psychiatric Disability: What Works*.

**Q:** *How would you describe your DRI-funded project?*

**JC:** Since people disabled by psychiatric problems such as schizophrenia or major depression often need medication and treatment but can't get jobs with health insurance coverage, they may decide not to risk their public "safety net." The study compares people receiving back-to-work services with the general population of people with serious mental health problems, to see if these services make a difference to Social Security disability beneficiaries.

**Q:** *How would you describe the contribution your project is going to make? That is, how will it impact the lives of persons with disabilities?*

**JC:** We hope to show the conditions under which people with psychiatric disabilities can work successfully at a wide range of jobs in the community. This knowledge is important for people with mental illness, service providers, employers in the business community, and our national economy. We also hope to discover how people are able to enhance their economic security and maximize earnings while also retaining their health care coverage.

**Q:** *What is unique about your research? How does it differ from work that has been done before?*

**JC:** No one has ever studied the back-to-work experiences of such a large group of people with mental illness in diverse regions of the country. To do that we're looking at data on over 1600 people who participated in an 8-state clinical trial of supported employment services. Also, no one has ever compared the work behavior of people with mental illness in the general population with those who are receiving employment services. The data on people with mental illness in the general population comes from the U.S. Census Bureau's Survey of Income and Program Participation. Our research questions are directly relevant to public policies that may inadvertently discourage people with disabilities from going back to work. If we have created a system in which people can't risk going to work, we need to know that. Right now, advocates and policy makers are looking for answers to the questions this research is addressing. Income support programs make a vital difference in the lives of people with psychiatric disabilities, and the chance to contribute to the debate about how to improve our country's disability income support system is very gratifying.

**Q:** *Have you encountered any surprises or unexpected findings in the course of your research for the DRI?*

**JC:** We've been surprised that preliminary results indicate that peoples' motivation to get back into the labor force, even if it means risking their benefits and health insurance. We've also found indications that the same labor market forces may influence people with mental illness as the general population. The local unemployment rate, prior work experience, and level of education may all impact employment, regardless of whether or not someone has a disability.



Judith A. Cook is Professor of Psychiatry at The University of Illinois at Chicago. Currently she directs the Mental Health Services Research Program which houses several federally funded centers, two of which focus on employment and vocational rehabilitation services research. Her research includes studies of vocational rehabilitation outcomes, employer attitudes toward workers with psychiatric disabilities, multivariate statistical approaches to studying employment among mental health consumers, the role of work in recovery from serious mental illness, policy issues in disability income support programs, and post-secondary training and educational services for persons with mental illness.

*Q & A continued on the following page*



*(Researcher Q&A continued)*

**Allen Heinemann** answered a few questions about his project *Medical, Functional and Occupational Factors in Disability Determination*.

**Q:** *How would you describe your DRI-funded project?*

**AH:** The goal of this research project is to help the SSA improve decision-making at steps 4 and 5 of the disability determination process by evaluating the functional and occupational factors that affect disability determinations for mental impairment claims. This project will analyze ways that decision makers use occupational, medical, and functional characteristics. This will result in a better understanding of the measurement properties the SSA utilizes in this process at the DDS and OHA levels, and perhaps suggest changes in measurement instruments that could reduce the number of denials that are overturned on appeal. One of the greatest challenges in the disability determination process occurs when a claimant has a severe mental impairment that does not meet or equal a medical listing. When this happens, the decision process is very complicated, as vocational criteria is used rather than strictly medical criteria. Because of this complexity there are numerous opportunities for disagreement, as evidenced by nearly half of the denied claims being overturned on appeal by Administrative Law Judges.



Allen Heinemann is Director of the Rehabilitation Services Evaluation Unit at the Rehabilitation Institute of Chicago (RIC), as well as Associate Director of Research at RIC and Professor in the Department of Physical Medicine and Rehabilitation at Northwestern University Medical School. His research interests focus on health services research, psychosocial aspects of rehabilitation, including substance abuse, and measurement issues in rehabilitation.

**Q:** *How would you describe the contribution your project is going to make? That is, how will it impact the lives of people with disabilities?*

**AH:** The most obvious impact of the research will be improved customer service to those who are applying for disability benefits, most noticeably through quicker decisions regarding their disability claims.

**Q:** *What is unique about your research? How does it differ from work that has been done before?*

**AH:** Our research aims to help the SSA improve the disability determination process by evaluating the functional and occupational factors that affect disability determinations for mental impairment claims. By evaluating the DDS denials that were overturned on appeal, we can make better predictions regarding those decisions in the future, reducing the number of appeals, streamlining the determination process.

**Q:** *Have you encountered any surprises or unexpected findings in the course of your research for the DRI?*

**AH:** It is really too early for us to make any projections or comment on what our research might indicate.



### Join Us for the 2005 Annual Symposium

*SSA Disability Programs: Comprehensive Work Opportunity Initiative  
An Interactive Symposium on Overcoming Multiple Barriers to Employment*

*Tuesday, April 5, 2005*

*National Press Club  
529 14th Street, NW  
Washington, DC 20045*

The Disability Research Institute is hosting its annual Symposium on April 5, 2005, at the National Press Club in Washington, D.C. The 2005 Symposium, *SSA Disability Programs: Comprehensive Work Opportunity Initiative, An Interactive Symposium on Overcoming Multiple Barriers to Employment*, will bring together nationally recognized disability scholars to discuss key policy questions impacting Social Security disability programs and policies as related to DRI research. This interactive discussion will include designated time for audience participation. DRI research projects will be shared through displayed posters and researchers will be available to discuss their work during the scheduled poster session.

The Symposium will include four interactive sessions that will address the following key policy questions:

- What are your reactions to the currently identified barriers to return to work in the Comprehensive Work Opportunity Initiative? What other barriers are there (if any) that need to be addressed and what recommendations would you make to SSA regarding strategies that should be employed to decrease or eliminate those barriers?
- How can SSA modify or restructure the disability determination process to facilitate return to work simultaneously with determination of eligibility of benefits?
- What are the most important issues for SSA to address to integrate and coordinate the long-term process of transitioning youth with disabilities to work? What are the educational, career planning, assistive technologies and other transition issues that need to be addressed in order to help youth with disabilities maximize their economic self-sufficiency?
- What are the critical research and policy questions that need to be addressed in order to maximize the impact of research outcomes and policy recommendations on fully integrating persons with disabilities in the workforce and society at large?

DRI research projects will be shared through displayed posters and researchers will be available to discuss their work during the scheduled poster session. For more information about the Symposium or to register, please visit the DRI website at [www.dri.uiuc.edu](http://www.dri.uiuc.edu).

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### *DRI News*

Spring 2005  
Volume 5 Number 1  
Editor: Kent Reel

*DRI News* is published semi-annually by the Disability Research Institute. Requests for additional copies can be submitted to the address above.

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Office of Disability and Income Security Programs

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