

LONG-TERM DISABLED CASEHEADS: SUPPLEMENTAL SECURITY INCOME STATUS

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Although the primary goal of Maryland's Temporary Cash Assistance (TCA) program is to move clients from cash assistance to employment and self-sufficiency, some cases are headed by adults who are physically or mentally unable to work. Some of these cases are classified as long-term disabled, meaning that these recipients have medically certified disabilities or serious illnesses and have been exempted from federal work requirements by Maryland's Family Investment Administration. Additionally, as a condition of receiving cash assistance, they are required to submit applications for Supplemental Security Income (SSI), a federal program that supports low-income aged, blind, and disabled adults and children. Their successful transition to SSI means more generous and stable assistance for the family and reimbursement of state funds expended on cash assistance.

In order to qualify for SSI, applicants must have both limited income and a medically determinable physical or mental impairment that results in the inability to do any substantial gainful activity. SSI defines substantial gainful activity as "work performed for pay or profit, work of a nature generally performed for pay or profit, or work intended for profit whether or not a profit is realized" (SSA, 2015a). The applicant's impairment must be expected to last at least 12 months or be expected to result in death. A single SSI application typically takes three to five months to process (SSA, 2015b), and because of the stringency of the medical and asset tests required, multiple SSI

applications prior to approval are common. Hence, the SSI application process can be lengthy.

The Maryland Department of Human Resources (DHR) requires long-term disabled caseheads to apply for SSI because moving eligible recipients onto SSI benefits the bottom lines of both recipient households and the state of Maryland. For families, SSI benefits are typically more generous than what they would receive on TCA. The maximum monthly TCA benefit amount in Maryland for a family of three was \$624 in 2014 (Maryland DHR, 2013). In the same year, an eligible individual was entitled to receive up to \$721 per month in SSI benefits (SSA, 2015a). SSI benefits are only provided for the disabled individual, but other individuals on the case may still be eligible for TCA benefits, ensuring that the entire family is, when necessary, still supported.

From the state of Maryland's perspective, moving long-term disabled cases onto SSI saves money. All TCA cases are partially state funded, and prior to October 2015, long-term disabled cases were fully funded by state general funds (Maryland DHR, 2015). Conversely, SSI benefits are solely funded by the federal government. Additionally, if a TCA recipient is approved for SSI, the state receives a reimbursement for the TCA benefits paid to that individual from the initial submission date of their approved application (Maryland DHR, 2014). Moving long-term disabled cases off TCA thus presents the state with opportunities for significant cost savings.

In a previous study, we found that 3,233 TCA cases were classified as long-term disabled in October 2011, and three-quarters of these cases had submitted at least one SSI application (Williamson, Nicoli, & Born, 2013). This report follows these cases through October 2014, examining how many of them successfully navigated the complex SSI application process and what happens to their status as TCA recipients in the meantime.

Findings

Our earlier report profiling the October 2011 long-term disabled caseheads found significant differences between long-term disabled caseheads and those heading up other types of cases. Long-term disabled caseheads were more likely to be Caucasian, male, and older, and less likely to have finished high school than TCA caseheads in other caseload designations. We also found that long-term disabled caseheads were less likely to work and earned less money when they did work (Williamson, Nicoli, & Born, 2013). It is essential to keep these differences in mind as we focus solely on long-term disabled cases in this report.

The most important finding from the earlier report is that nearly three in four long-term disabled cases applied for SSI at least once as of October 2011. With our current data, it is clear that the percentage of cases fulfilling their SSI application requirements has only grown over time. By 2014, the overwhelming majority (93.4%) of cases had an SSI application at some point.

Although the large majority of cases fulfilled their SSI application requirements, this has not translated into a large majority of cases receiving SSI benefits. Figure 1 shows that just

over one-fifth of long-term disabled cases had some SSI receipt by a case member in the first year following October 2011, a much smaller percentage than the almost 75% who applied. SSI receipt grew only slightly in the second (25.8%) and third (28.3%) years. Thus, while three-quarters of cases successfully submitted an SSI application by 2011, three years later, less than 30% had actually received an SSI payment. Figure 1 also shows that it is just as common for children to receive SSI as adults on a case. The percentages of caseheads and children receiving SSI were equal, at about 15%, by the third year of study.

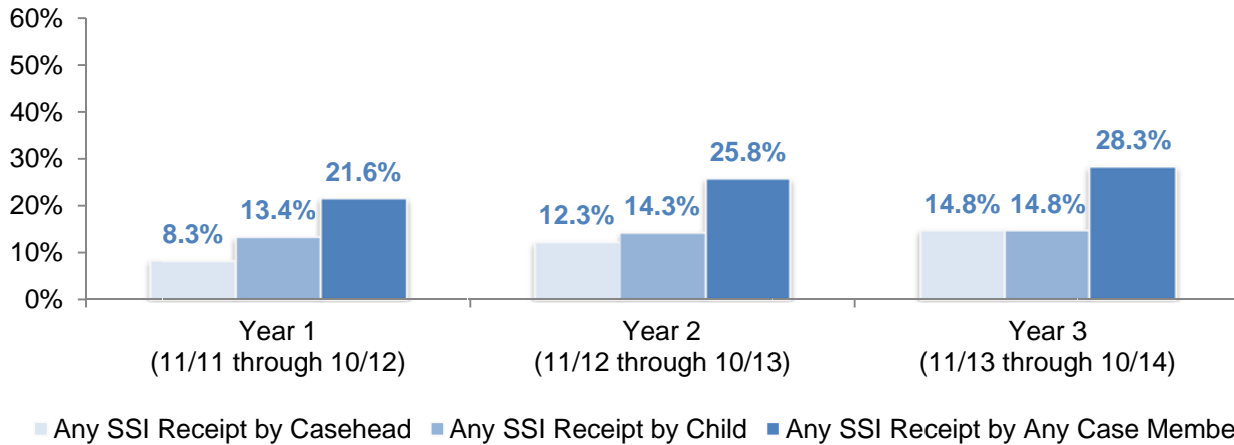
Methods

Sample: This sample consists of the total universe of recipient TCA cases designated as long-term disabled in October 2011 (n=3,233).

Data Sources: The analyses in this report are based on data from the Client Automated Resources and Eligibility System (CARES) and the Maryland Automated Benefits System (MABS), administrative databases maintained by the state of Maryland. CARES provides individual- and case-level program participation data for recipients of TCA and SSI. SSI receipt is presented on a yearly basis due to limited available data. CARES also provides data on the number of SSI applications made and denials received, but we are unable to tie individual applications to individual denials. MABS provides employment and earnings data.

Data Analysis: This report provides three-year follow-up data of cases designated as long-term disabled in October 2011. Through univariate statistics, we provide an analysis of SSI application and benefit status.

Figure 1: Percent of Long-term Disabled Cases Receiving SSI by Year

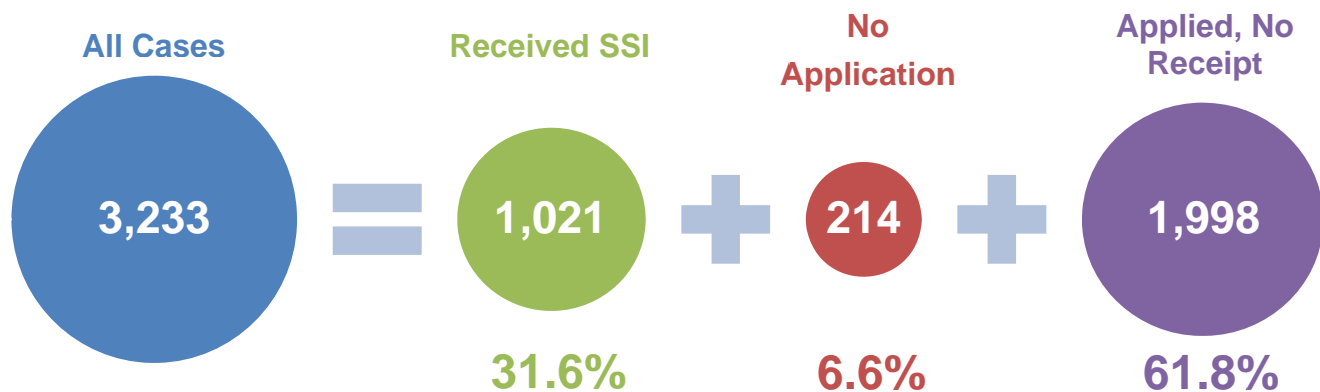


Note: The Any SSI Receipt by Any Case Member category includes receipt by caseheads, children, and other household members. Annual SSI receipt figures are not cumulative; an individual can receive SSI in one year but not the subsequent year.

Most long-term disabled cases applied for SSI, but far fewer actually received it. What differentiates these cases? Figure 2 displays three groups of long-term disabled cases: **Received SSI**, **No Application**, and **Applied, No Receipt**. The **Received SSI** group, 31.6% of the long-term disabled caseload, applied for SSI and received at least one SSI payment. The **No Application** group, only 6.6% of the long-term disabled caseload, did not apply for SSI.

The last group, **Applied, No Receipt** cases, are those with at least one application to SSI, but they had not yet been approved for SSI receipt; this group is the majority of long-term disabled cases, making up 6 of every 10 cases. Overall, the cases that did not apply for SSI, though a very small percentage of long-term disabled cases, had substantially different TCA and employment outcomes from the two groups that did submit applications for SSI.

Figure 2. Cases by SSI Status

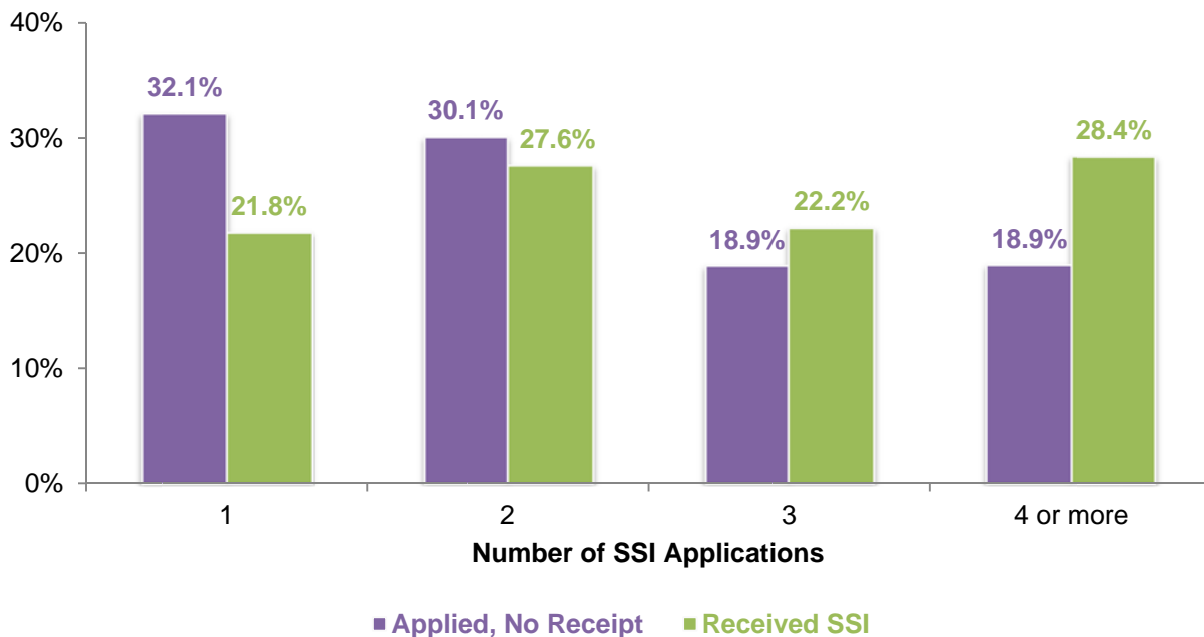


Note: Applications to SSI were made between October 2006 and October 2014.

However, one major difference between the two groups of long-term disabled cases that applied for SSI is the number of submitted SSI applications. According to Figure 3, cases that received SSI completed more SSI applications. Cases that applied but did not receive SSI benefits were most likely to have applied once or twice. In fact, over 30% of the cases that did not

receive SSI applied only once. On the other hand, nearly 30% of cases receiving SSI applied four or more times. These findings are an indicator of the complexity and difficulty of the SSI application process, as it can take successful applicants many attempts to eventually receive SSI benefits.

Figure 3: Number of SSI Applications



Notes: Includes applications made by any case member between October 2006 and October 2014. Application data is dated back to October 2006 to account for the applications made prior to October 2011, the study month in which these cases were sampled as long-term disabled. We exclude 13 cases that had no application during the study period but did have SSI receipt. Valid percentages are reported.

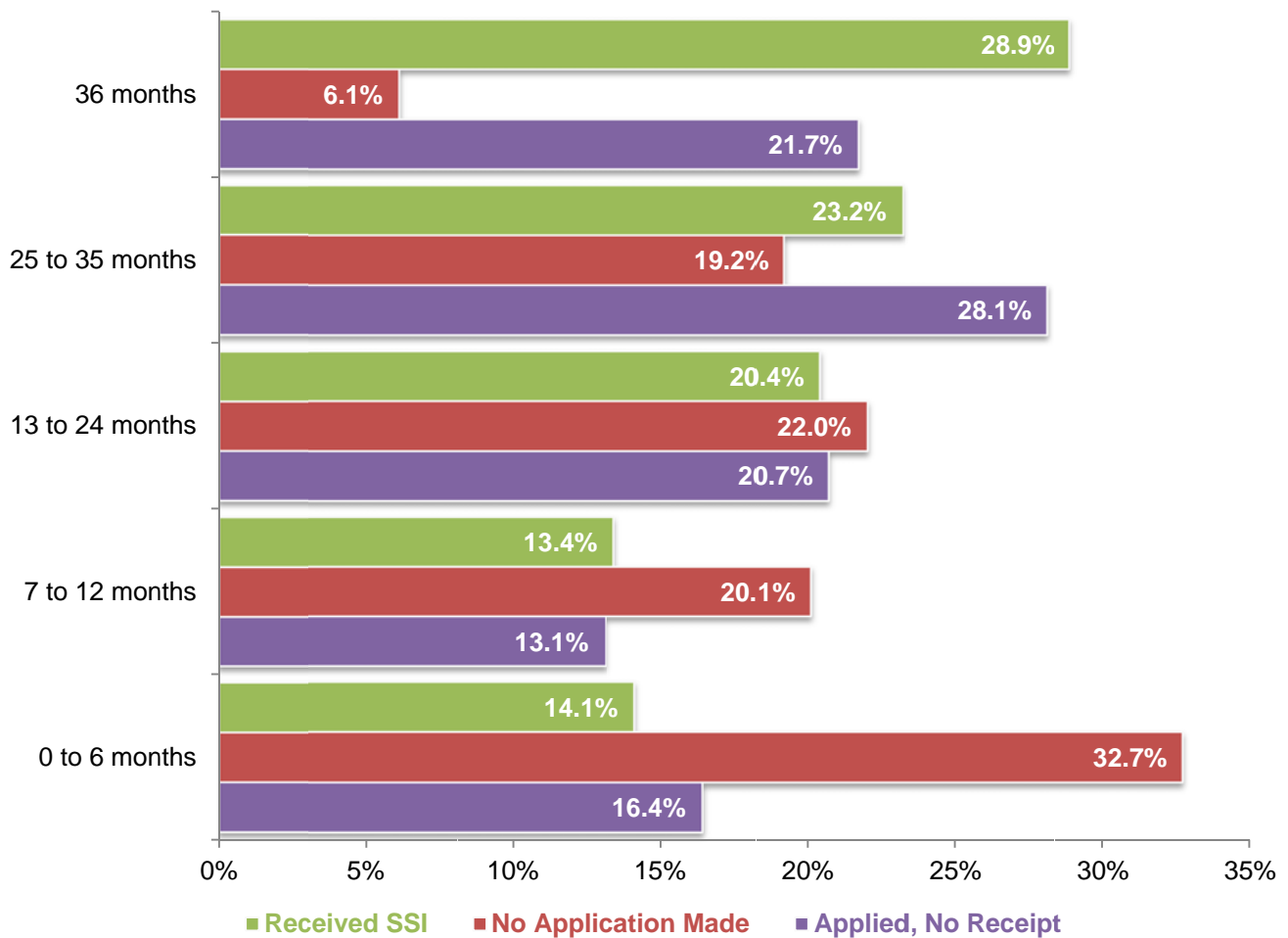
Engaging in the SSI application process is a requirement for long-term disabled cases to continue receiving TCA. As the large majority (93.4%) of long-term disabled cases submitted at least one SSI application, it is not surprising that the majority of long-term disabled cases continued to receive TCA for at least some months between 2011 and 2014. Figure 4 shows total months of TCA receipt over the 36-month period after October 2011 for cases by application status.

Cases with no SSI applications received very little TCA after October 2011. In particular, one-third (32.7%) of these cases received 0 to 6 months of TCA, and few (6.1%) received TCA for all 36 months. This is unsurprising, given that the lack of an SSI application by a long-term disabled case would result in case closure or reclassification into a work-eligible category.

Cases with SSI applications, whether they received SSI or not, were more likely to receive TCA throughout the follow-up period. Only about 15% of cases in the two SSI application groups received 0 to 6 months of TCA, while about half of these cases received 25 to 36 months of TCA. In fact, one in five (21.7%) cases with an SSI application but no receipt and more than one quarter (28.9%) of cases that applied and received SSI had TCA benefits in all 36 months of the follow-up period.

The cases that applied for SSI may be staying on TCA while waiting for their SSI applications to process, which can take a substantial amount of time, especially if the case member must appeal or reapply. However, some of these cases may have concurrent program receipt. Although an individual person cannot receive SSI and TCA simultaneously, a case may consist of individuals receiving SSI and TCA concurrently. For example, one child on a case may receive SSI, while another child on the same case receives TCA.

Figure 4: TCA Receipt by SSI Status



Note: Months of TCA receipt represent cumulative months, rather than consecutive, between November 2011 and October 2014.

The previous figure shows that the majority of long-term disabled cases did not receive TCA for the entirety of the three-year follow-up period. Figure 5 shows the percentage of cases that were no longer receiving TCA as of October 2014, as well as caseload designations in that month for those still receiving benefits. About half of the cases that applied for SSI, whether they received it (54.8%) or not (56.8%), were no longer receiving TCA as of October 2014. However, an even larger percentage of cases with no SSI applications, about 80%, were no longer receiving TCA as of October 2014. This finding is a reminder that TCA is a temporary benefit, and most cases, including long-term disabled cases, use this benefit as intended.

Nonetheless, some cases received TCA in October 2014. For these cases, Figure 5 shows caseload designations as of October 2014. Caseload designations are used to distinguish cases by work participation requirements, funding sources, and whether a case is subject to time limits. While all of the cases examined were designated as long-term disabled in October 2011, case designations change over time as cases are reclassified according to their current circumstances.

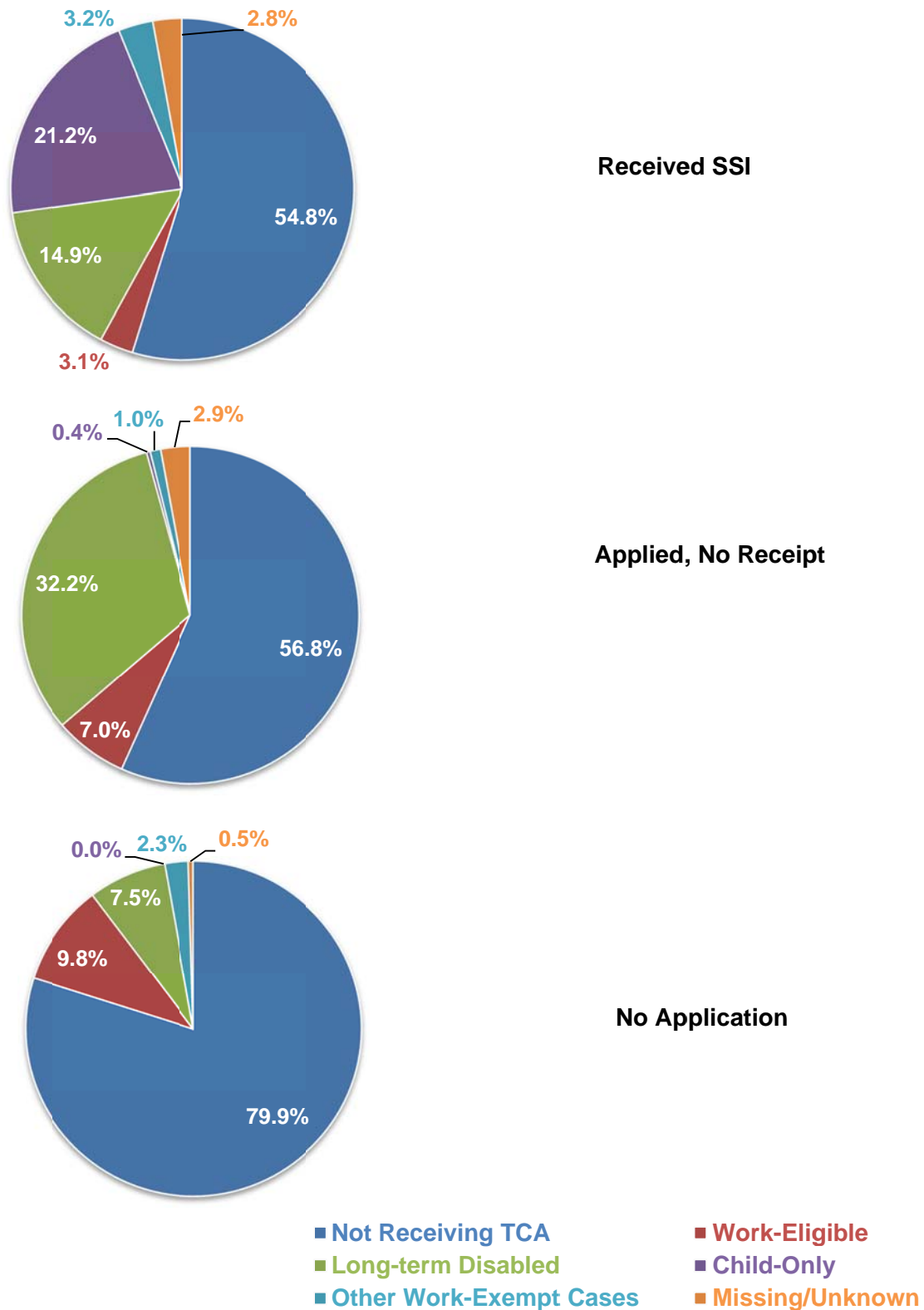
Since most cases that did not apply for SSI were no longer TCA recipients in October 2014, it is not surprising that only 7.5% of those 214 cases were classified as long-term disabled; this represents 16 cases that are still required to apply for SSI. Additionally, about 10% of these cases were classified as work-eligible and were required to participate in a work activity as a condition to receive benefits. These findings suggest that the vast majority of cases that failed to apply for SSI move out of the TCA caseload entirely.

About one-third (32.2%) of those who applied for SSI but did not receive it were classified as long-term disabled, suggesting that these cases are still in the lengthy SSI application process. Another 7% moved into a work-eligible case designation, while more than half (56.8%) were no longer TCA recipients.

Of those cases that applied and received SSI, over 20% moved into the child-only case designation, indicating that the adult on the case likely received SSI while a child on the case was still eligible for TCA. About one in seven (14.9%) of these SSI recipient cases were classified as long-term disabled, possibly because another eligible case member was applying for SSI. Few (3.1%) of these cases were classified as work-eligible.

Over time, fewer long-term disabled cases received TCA, but caseload designation outcomes, unlike other outcomes, are very different for each of the remaining cases in the three groups. This sorting process through the caseload designation ultimately provides more clues about long-term disabled cases. Those who did not apply may not have truly met the definition for long-term disabled, although that may not have been clear initially. Those who do receive SSI seem more likely to reside in a household where another individual is disabled, and those who have applied but not received are clearly in the application process.

Figure 5: TCA Status by SSI Status in October 2014



Long-term disabled caseheads are assumed not to be able to work, and in fact, are exempt from participation in work activities in Maryland. Not surprisingly, then, Figure 6 shows that the large majority of long-term disabled cases were not employed from October 2011 through October 2014.

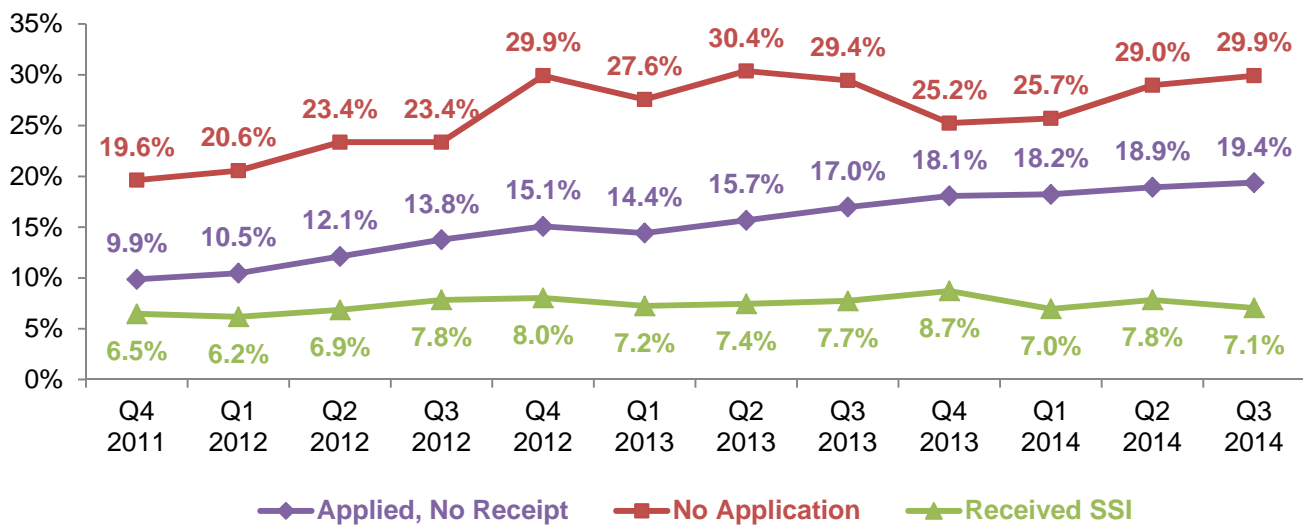
Nonetheless, quarterly employment rates for cases that did not apply for SSI were substantially higher than for cases with SSI applications. Quarterly employment began at about 20% and increased to 30% by the end of the follow-up period for caseheads with no application. At the beginning of the follow-up period, 10% of caseheads that applied for SSI but did not receive it were employed; this increased to only 19% by the end of the follow-up period. However, no more than 10% of the cases that received SSI had employed caseheads in any quarter.

As seen earlier, cases with no SSI applications were also much more likely to no longer receive TCA. These findings imply that some long-term disabled cases without an SSI application move

from TCA into employment, possibly because the medical condition that prompted their classification as long-term disabled improved. Conversely, Figure 6 also shows that cases that received SSI had much lower rates of employment than other cases. This finding is consistent with SSI program requirements, which stipulate that applicants must not be able to maintain substantial gainful employment in order to qualify. Caseheads whose children receive SSI may not be employed because they are caring for the disabled child at home, or, alternatively, they are among the handful of employed SSI recipients.

Regardless of the group they were in, employed long-term disabled caseheads earned substantially less than other TCA caseheads. Average quarterly earnings for employed long-term disabled caseheads, while not shown here, ranged from \$2,500 to \$3,500 over the three-year follow-up period. In contrast, recent caseheads who exited TCA and were employed had average quarterly earnings ranging from \$3,500 to \$5,700 over the course of five years (Hall, Nicoli, & Passarella, 2014).

Figure 6. Quarterly Employment by SSI Status***



Note: Excludes individuals for whom we have no unique identifier (n=1). Valid percentages are reported. *p<.05 **p<.01 ***p<.001.

Conclusions

Given that the primary objective of assigning cases to the long-term disabled caseload designation is to ensure they apply for SSI, that only 214 cases out of 3,233 had no SSI application can be considered a very positive sign. Additionally, many of these cases left the TCA caseload entirely and did not continue to receive benefits. Larger percentages of these cases had caseheads who were employed at some point as well, suggesting that either the illness prompting the long-term disabled designation improved or the casehead was, in fact, capable of substantial gainful activity.

Success for an SSI applicant is not only the submittal of an application, but also an approval, so that they begin to receive SSI payments. Less than one-third of the October 2011 long-term disabled caseload received SSI as of October 2014. Hence, many families fulfill their

SSI application requirement without ever receiving SSI, and many remain stuck in limbo while waiting for decisions and appeals. Others may be discouraged by the SSI application process and exit the TCA program.

However, some cases in the sample appear to still be applying for SSI, since they were designated as long-term disabled at the end of the three-year follow-up period. While DHR clearly supports families during the SSI process through cash assistance, the agency also recognizes the need to assist customers with the SSI application process. By verifying that applications are submitted with all necessary documentation and that applicants are supported during the appeals process, DHR can ensure that as many long-term disabled cases as possible submit successful SSI applications.

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