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Improving Recipiency in U.S. Social Insurance: A Scoping Examination

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Disclaimer

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Background

1. Explore impediments to participation in SS Disability Insurance (DI) and Supplemental Security Income (SSI) in the U.S. compared to OECD countries.

2. Despite their economic importance for recipients, many eligible individuals still need help accessing benefits because of various barriers, such as structural, cultural, awareness, administrative and legal, stigma, etc.

3. This scoping examination looks into not just the hindrances to recipiency rates but also reforms and best practices in other countries, which can be beneficial to enhancing access and participation in the U.S. safety net.

4. Goal is to estimate #of qualified individuals who have not participated across race, gender, age groups, and other socioeconomic characteristics (analyzing HRS and Census data using logit and probit models as well as Monte Carlo simulations)

Challenges in recipiency

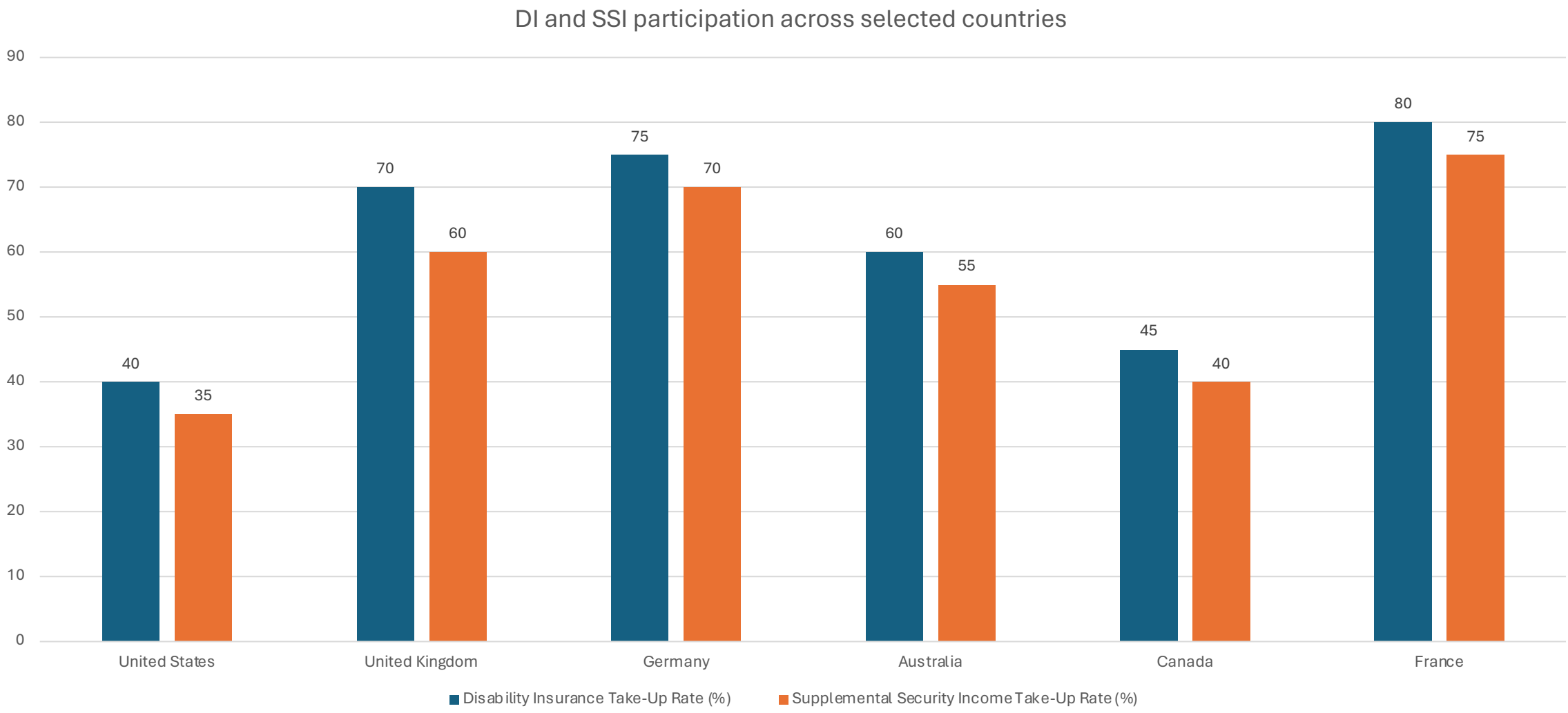
1. **Awareness and Knowledge**:
   - Lack of awareness about DI and SSI programs
   - Misinformation about eligibility criteria and application processes

2. **Complex Application Processes**
   - Extensive documentation and medical evidence required
   - High rates of initial application denials, leading to long appeals processes

3. **Administrative Barriers**:
   - Inconsistent decision-making and lengthy processing times.
   - Coordination issues between federal and state agencies.
   - High denial rates even after lengthy appeals

4. **Stigma and Social Barriers**:
   - Social stigma linked to receiving public benefits.
   - Cultural and language barriers affecting certain groups.

Cross-country evidence



Challenges

- Initial denials occur naturally: how has SSA engaged stakeholders (healthcare providers and social service offices) to identify and accompany qualified individuals/households through the application process to reduce the number of times individuals go to field offices in person to apply for or renew their eligibility for benefits?

- Successful disability claims require perseverance, and most disabled individuals lack the resources, knowledge, and energy to persevere in cutting through bureaucratic hurdles for a successful claim.

- In contrast, others with adequate resources, such as knowledge of program mechanisms, but dubious disability claims may prevail.

Hypotheses and Theory

H1: Higher administrative complexity in social insurance programs reduces recipiency rates due to increased barriers to access. Currie (2006) suggests simplifying program requirements can significantly increase participation rates.

H2: Programs' level of economic incentives influences the recipiency rates. Nichols and Rothstein (2015) study the Earned Income Tax Credit (EITC) and report that larger benefits increase take-up rates among eligible populations.

H3: The perceived stigma of receiving social insurance benefits reduces recipiency rates. Stuber and Schlesinger (2006) highlight how stigma affects participation in programs like food stamps.

Approach to the study (First-stage)

- **Comparative Analysis**: U.S. vs. OECD countries
  - Identifying effective strategies and common hurdles.
  - Insights on simplifying processes, reducing stigma, and enhancing outreach.
- **Cross-Country Tables**:
  - Types of benefits, program names, targeted populations, participation rates, and references.

Data source

Health and Retirement Survey (HRS):

- Comprehensive longitudinal panel study that surveys a representative sample of Americans over the age of 50.
- Collects data on health, income, employment, and disability status.
- Current Population Survey (CPS)
- American Community Survey (ACS)
- Survey of Income and Program Participation (SIPP).

Probit specification (Second stage)

$$P(Non - Take - Up) = \Phi(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_n X_n)$$

where Φ is the cumulative distribution function of the standard normal distribution, βs are the coefficients, and **X** are the explanatory variables.

- Dependent variables: Non-take-up of DI and SSI : (1 if participating, 0 otherwise)
- Independent variables: Demographic and socio-economic factors: health status, demographic characteristics, awareness of programs, single parents, households with children, sex, age, race, rural location, income, employment status, educational attainment, family disability status.

- **Benefit Characteristics**: Size, duration, conditionality.
- **Behavioral Factors**: Attitudes toward social security, awareness, complexity, experiences of humiliation, participation in other government programs (Medicaid, Medicare, TANF, SNAP, UI, housing subsidy, EITC).

Estimating non-take-up
Simulation model (Third stage)

Monte Carlo Simulation:

- Simulates non-claimants from the population of eligible recipients.
- Steps involved:
  1. Examine the population.
  2. Analyze eligibility requirements.
  3. Define permissible disabilities and income rules.
  4. Apply the subsidiarity principle.
  5. Data management and distinguishing between households.
  6. Evaluate beta error participants.

Monte Carlo Simulation Steps

1. **Examine Population**:
    - Identify eligible individuals from the HRS dataset based on DI and SSI eligibility and reported income, health status, and other relevant factors
2. **Analyze Requirements**:
    - Determine the eligibility criteria for DI and SSI: Use survey questions on program participation to identify eligible non-participants.
3. **Define Disabilities and Income Rules**:
    - Set parameters for permissible disabilities and income thresholds.
4. **Apply Subsidiarity Principle**:
    - Ensure benefits are given based on needs hierarchy.
5. **Data Management**:
    - Distinguish between households that take up and do not take up benefits.
6. **Evaluate Beta Error Participants**:
    - Assess the accuracy of the simulation model.

Correcting for Measurement Errors

- **Addressing Bias in Simulations**:
  - Randomly generate errors to adjust measures of needs and disability.
  - Use normal distribution assumptions to simulate variations.
  - Graphical representation of non-take-up and beta error rates before and after corrections.

Results and Analysis

- **Descriptive Non-Take-Up Rates**:
  - Present rates from the simulation model.
- **Impact of Simulation Adjustments**:
  - Analyze discrepancies in non-take-up rates due to model adjustments.
- **Measurement and Estimation Errors**:
  - Evaluate the influence of errors on income and needs assessment.

Implications: Simplification of Procedures

Challenge: Administrative complexity deters participation.

Policy Implication: Simplify application forms, reduce documentation requirements, and streamline bureaucratic processes.

Research Action: This study will contrast best practices from OECD countries and those in the U.S.

Implications: Addressing Structural Barriers

Challenge: Geographic variability and heterogeneous state laws.

Policy Implication: Promote uniform eligibility criteria across states and simplify program navigation.

Research Action: Evaluate the value-added of centralized guidelines to reduce discrepancies.

Implications: Reducing Stigma

Challenge: Stigma associated with welfare participation.

Policy Implication: Implement culturally sensitive approaches and launch public awareness campaigns.

Policy Action: Use media and community outreach to change perceptions.

Implications: Intersectional Policy Design

Challenge: Diverse demographic factors affect access.

Policy Implication: Consider intersectionality in policy design (race, gender, age, location).

Research Action: Assess the import of tailored programs addressing the specific needs of different groups.

Implications: Integration of Information Technology

Challenge: Administrative burdens and inefficiencies.

Policy Recommendation: What is the role of technology in program integration and registration automation?

Research Action: Assess the impact of a unified IT system for social insurance programs on recipiency.

Implications: Focus on Long-term Disability

Challenge: Additional barriers for individuals with long-term disabilities.

Policy Implication: How have programs provided resources and opportunities to long-term disability claimants and what is the effect on life quality?

Research Action: Assess the importance of adequate support for meeting basic needs and achieving labor market success.

Conclusion

Summary: This study can provide a comprehensive approach to estimate non-take-up of DI and SSI benefits.

Implications: Enhancing policy effectiveness by understanding barriers to take-up.

Future Research: Continued exploration of administrative complexities and behavioral interventions to improve recipiency rates.

Thank you!

Questions and comments?

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Challenges in accessing Supplemental Security Income for people with disabilities

Miriam Heyman, PhD

August 8, 2024

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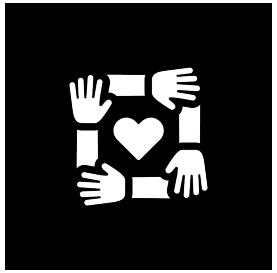
Background

Supplemental Security Income (SSI) can provide an important source of economic support for people with disabilities in the United States.



The SSI application process can be challenging and lengthy, and many eligible individuals are discouraged from applying or appealing an initial denial.

Racial identify and racism impact receipt of disability benefits.

Background

There has been minimal research on why eligible individuals choose not to apply for SSI, or experiences of eligible individuals who receive an initial denial.

– **This study will address this gap and contribute to SSA's ability to resolve barriers that limit participation of eligible individuals in SSI.**

Research Question #1

What are the perceptions of disabled people, specifically disabled people of color, towards the SSI application process?

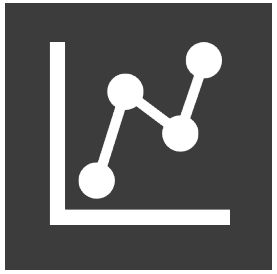
Research Question #2

What are the barriers for eligible disabled people to applying to SSI or appealing an initial denial? What are the specific barriers for eligible **disabled people of color** to applying to SSI or appealing an initial denial?

Research Question #3

What improvements can be made to the SSI application process to better support disabled people in completing it?

Methods



Interviews: 30 working-age disabled people who are eligible for SSI

- **>50% will represent racial / ethnic minorities**
- **>33% will be Black**
- **Interviews in Spanish & ASL**

Focus groups: benefits counselors, executive directors of independent living centers, and staff from CBOs that support disabled people.

- **At least 5 staff will represent organizations that primarily serve racial and ethnic minority disabled people.**

Methods (potential applicants)

Sample interview questions include –

1.) When and how did you first hear about SSI? What did you think of SSI?

2.) If you have started or submitted an application in the past, can you tell me about that experience?

3.) If you have interacted (ex: talked on the phone, had an in-person meeting) with the SSA, what has your experience been like?

Methods (potential applicants)

4.) Do you have any recommendations to improve the process?

Recommendations related to:

- Accessing the application
- Time it takes to submit the application and hear back
- Wording or language in the application
- Materials required by the application (i.e., medical records)
- Format of the application
- Requesting and receiving help with the application, including availability of help from the SSA
- Information provided by SSA about the process
- Training of Social Security staff members

Methods (potential applicants)

- I understand your initial application for SSI was denied, what was that experience like for you?
- Recommendations related to:
  - Knowing about the right to appeal a decision
  - Knowing about the right to appeal in a timely manner
  - The process of requesting and receiving help for appealing
  - The materials that appeals requires
  - Information given to you by social security about appealing a decision
  - The questions asked in the appeals process
  - Timeline of the appeals process

Emerging insights

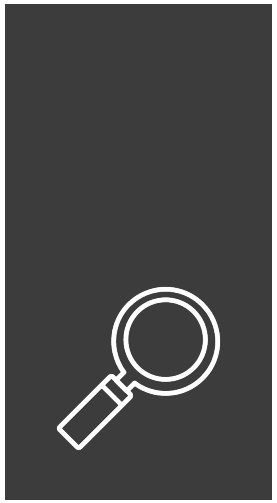
Healthcare access: “But she’s like technically primary care. And so I couldn’t fill out like any of them because they asked for a psychiatrist. So basically due to like lack of access. Didn’t have anyone to fill it out.”

Language accessibility: There's a lot of legalese, and it's like stacked up against you right it. The onus is on you to prove why their determination was wrong

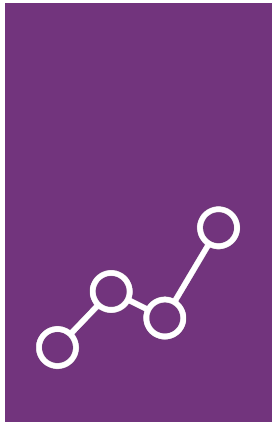
Impact on mental health: “And I just kinda shut down after I got the denial…I think it was mostly just like the mental burden of going through the whole thing”

“I think just the feeling is I feel like a loser. I feel like a failure. And the process overall is, they, they say stuff like this is so overwhelming I can't even look at it, think about it.”

Summary



Existing studies often rely on secondary data and provide valuable insights into broader trends among applicants; this qualitative study will provide more nuanced information about barriers, including why some disabled people who are eligible do not apply for SSI.



We will develop a set of recommendations to improve the accessibility of the application and appeal process, with the goal of increasing the number of disabled individuals who successfully apply for SSI.

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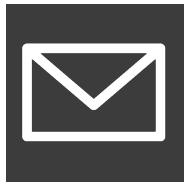

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Understanding Barriers to Applying for Disability Insurance

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Trends in Disability Applications

- Disability benefit applications among workers have declined by 35% since 2010
  - This decline is not matched by reductions in work-limiting disabilities
- Even steeper declines among children
- Why are fewer people applying for benefits?
- There is a literature about broad economic and social factors affecting disability application rates (e.g., unemployment rates, opioid crisis)

Existing Survey Evidence

- There is some, but limited, nationally-representative survey evidence about disability insurance
  - Previous surveys have asked about general knowledge of the programs (Knapp & Perez-Arce 2022; Messel et al 2022)
- Little work asking people why they have not applied and what barriers they have encountered
- Very little evidence on why people with children with disabilities do not apply

Goals of our Survey

1. Ask a large, targeted set of people about barriers to applying for disability insurance
2. Ask people who have applied for disability benefits about the most difficult parts of the process
3. Identify a large set of people with children with disabilities to survey
4. Test the importance of knowledge and policy in impacting disability insurance application rates

Four Groups of Interest

1) Adults with work-limiting disabilities who have applied for disability benefits
2) Adults with work-limiting disabilities who have not applied for disability benefits
3) People with children with work-limiting disabilities who have applied for disability benefits
4) People with children with work-limiting disabilities who have not applied for disability benefits

The first 2 groups will also be stratified based on whether they would apply for SSDI or SSI.

Two Survey Platforms

- Respondi – an online platform used frequently by academics
  - High quality sample with attentive respondents
  - Large pool which has provided detailed information at intake
  - They estimated through a poll for us that they can identify 500+ respondents in each of our 4 samples
- RAPID Survey Project
  - A large sample of parents and childcare providers constructed by the Stanford Center on Early Childhood
  - National survey of families with children under 6, particularly targeted to lower-income families
  - They have agreed to let us field a short survey plus at least one follow-up

Surveys for non-applicants will include information component

- We are interested in assessing the role of specific policies or features of the system in affecting disability applications
  - Can people not afford to wait for benefits?
  - Do people think that the chances of receiving benefits are low?
  - Do people understand the link between benefits and health insurance?
- We will provide information about the programs and randomize who sees the information
  - Treatment arms will include information on the waiting periods (for SSDI group), Medicaid eligibility (for SSI groups, varies by state), or success rates of applications

How do we quantify the importance of these policies?

- Respondi Survey:
  - After the randomized information shock, we will ask “What are the chances that you will apply for disability benefits within the next 12 months?”
  - We will then provide a hypothetical change to the policy and ask them what the changes would be under that scenario
    - Example: “If the waiting period for Medicare were eliminated, what would be the chances that you would apply for disability benefits within the next 12 months?”
- RAPID Survey: We will ask about application rates in the follow-up survey

For those who have applied for benefits

- Ask basic demographic information
- Whether application was successful or not
- Difficulties and surprises while applying for benefits

Policy Implications

- The goal is to understand the relative importance of knowledge about the programs versus actual policy
- If knowledge of the program represents a barrier, then outreach can have an impact on application rates
- If policy matters, then we also need to consider the policy effects on people not even receiving benefits from the program

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Let's Ask Them: Examining Barriers to Accessing Support Programs

Which LTSS Financial Support Policies Are Preferred among Caregivers and Can They Reduce Racial/Ethnic Disparities in Retirement Security?

Marc Cohen, Claire Wickersham, and Christian Weller[1]

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Background and Purpose

- Nearly one-in five (19%) Americans are providing unpaid care valued at $600 billion to an adult with health or functional needs. (AARP, 2021)
- Roughly half (45%) report that they experience negative financial impacts from caregiving (AARP and National Alliance for Caregivers, 2020)
  - Family caregivers spend an average of $7,000 on OOP caregiving expenses annually, or 26% of their salary (AARP 2021).
  - And many cut back on work or drop out of the labor force, costing the economy between $86-$151 billion in lost earnings.
- Many end up jeopardizing their own financial security.
- Options to alleviate financial strain have been proposed, but little is known about which options would be most beneficial to caregivers.
- Know little about preferences for policy alternatives by sub-groups of caregivers (e.g. working versus non-working, high vs. low-income, ethnic/racial groups).

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Mixed Methods Study

- Focus Group
  - Four virtual focus groups of 6-8 participants (~75 minutes each) based on 2 high-income groups and 2 low-income groups)
  - Oversampling to ensure representation from underrepresented groups
  - Subject matter: caregiving-related financial challenges, views on policy proposals, support most/least helpful, Other suggestions
- NHATs/NSOC Data Analysis
  - Prevalence of financial challenges by race
  - Estimates of how policies improve financial security
- Here we focus exclusively on the qualitative findings, but Dr. Anqi Chen is here to answer any questions if you have them.

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Very Diverse Group of Focus Group Respondents

Characteristics of Focus Groups (n=25)	
Age	50.3
Female	80%
Race/Ethnicity	
White	44%
Black/African American	40%
Hispanic or Latinx	8%
Pacific Islander or Native Hawaiian	4%
Asian	4%
Employment	
Currently employed full-time or part-time (including self-employed)	60%
Retired or partially retired	20%
Full-time homemaker or not employed outside the home	20%
Income	
$75,000+	48%
Below $75,000	52%
Primary caregiver	64%

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While the need for policy is clear, it is unclear which are most beneficial and for whom.

Each policy and implications discussed in focus groups

- Expanded paid leave policies
- Reimbursements for caregiving expenses
- Direct payments from government
- Tax credit for providing caregiving
- Receive Social Security credit for caregiving
- Free respite care

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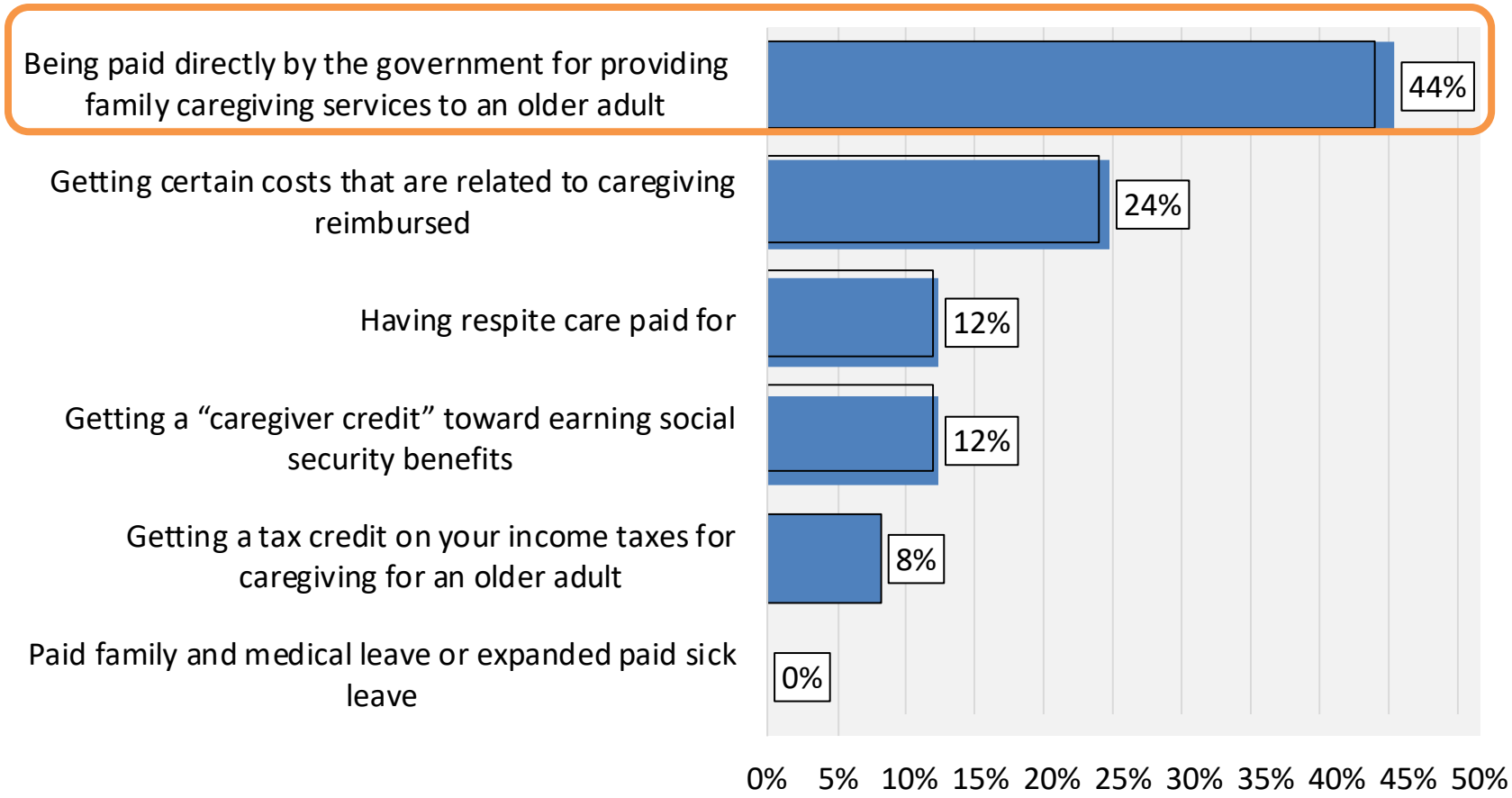
Summary of Key Findings

Most Important Caregiver Support Policies (N=25)



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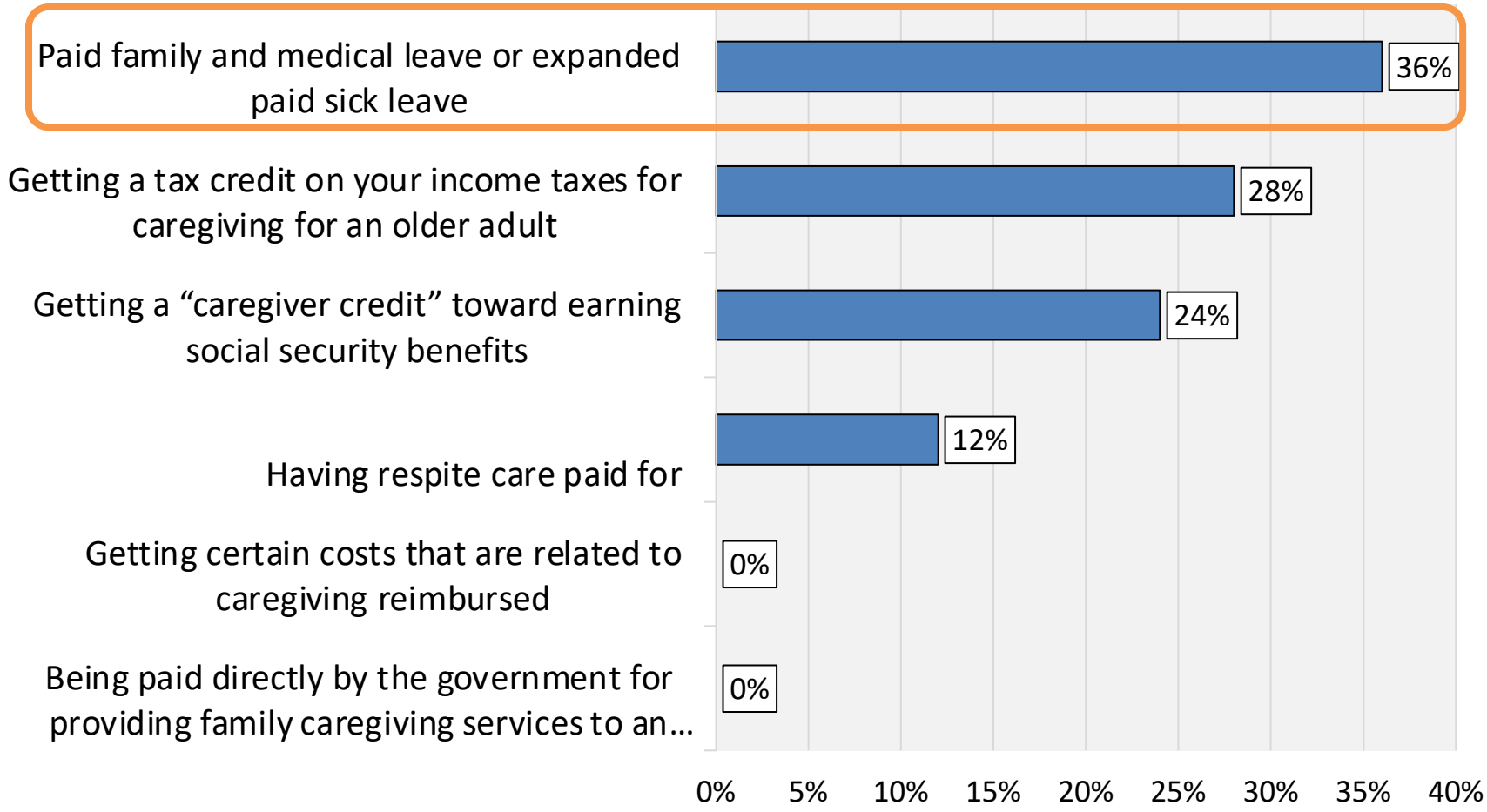
What Respondents told us

Benefits	Concerns
We don't have unlimited funding here, but while my mom was sick, it would've helped.	The amount of time is the issue. Any money to pay for family caregiving is wonderful but disability is for life.
Yes, it would be most helpful because being paid directly would help immediately.	It would help if it doesn't take 60 or 70 or 80 days to get it.
It would help in so many ways. It would take the burden off having to depend on my sons to take care of things when I have to work.	My county has this… only problem [is that it's] a very long approval process, maybe four to six months and the person you care for has to receive Medicaid.

Summary of Key Findings

Least Important Caregiver Support Policies (N=25)



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Credit for work and respite care varied by socio-demographics

Policy	Most Important	Least Important
Paid for caregiving	**All** groups ranked this highly	
Getting reimbursed for costs	**All** groups ranked this highly	
Credit for Social Security	**Non-white** respondents ranked this among the highest	**White respondents** ranked this among the lowest
Respite care	Those still **working** (mostly children) found this helpful	**Retired caretakers** (mostly spouses) did not find this helpful
Tax credit for caregiving		**All** groups ranked this policy low
Family of medical leave or expanded paid sick leave		**All** groups ranked this policy the lowest

Implications from Focus Group Results

- Most favored policy: Direct monetary compensation for caregiving
- Least favored policy: Tax credit on income taxes for caregiving
- Preferences and priorities for potential policy interventions targeting financial burdens.
- Tailoring policy benefits based on the diversity among care recipients is crucial.
- Family caregivers face a range of sacrifices, including financial strain, lost time, compromised health, and strained relationships.
- Urgent need for well-conceived supportive policies addressing multifaceted needs of family caregivers.