



U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation
Office of Disability, Aging and Long-Term Care Policy

WELFARE REFORM AND DISABILITY: ISSUES AND HHS ACTIVITIES

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Office of the Assistant Secretary for Planning and Evaluation

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) is the principal advisor to the Secretary of the Department of Health and Human Services (HHS) on policy development issues, and is responsible for major activities in the areas of legislative and budget development, strategic planning, policy research and evaluation, and economic analysis.

ASPE develops or reviews issues from the viewpoint of the Secretary, providing a perspective that is broader in scope than the specific focus of the various operating agencies. ASPE also works closely with the HHS operating divisions. It assists these agencies in developing policies, and planning policy research, evaluation and data collection within broad HHS and administration initiatives. ASPE often serves a coordinating role for crosscutting policy and administrative activities.

ASPE plans and conducts evaluations and research--both in-house and through support of projects by external researchers--of current and proposed programs and topics of particular interest to the Secretary, the Administration and the Congress.

Office of Disability, Aging and Long-Term Care Policy

The Office of Disability, Aging and Long-Term Care Policy (DALTCP), within ASPE, is responsible for the development, coordination, analysis, research and evaluation of HHS policies and programs which support the independence, health and long-term care of persons with disabilities--children, working aging adults, and older persons. DALTCP is also responsible for policy coordination and research to promote the economic and social well-being of the elderly.

In particular, DALTCP addresses policies concerning: nursing home and community-based services, informal caregiving, the integration of acute and long-term care, Medicare post-acute services and home care, managed care for people with disabilities, long-term rehabilitation services, children's disability, and linkages between employment and health policies. These activities are carried out through policy planning, policy and program analysis, regulatory reviews, formulation of legislative proposals, policy research, evaluation and data planning.

This paper was prepared by the Interagency Work Group on Welfare Reform and People with Disabilities, which was jointly lead by the HHS Administration on Developmental Disabilities and DALTCP. For additional information about this subject, you can visit the DALTCP home page at http://aspe.hhs.gov/_/office_specific/daltcp.cfm or contact the office at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201. The e-mail address is: webmaster.DALTCP@hhs.gov. The Project Officer was William Marton.

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Welfare Reform and People with Disabilities

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The opinions and views expressed in this report are those of the authors. They do not necessarily reflect the views of the Department of Health and Human Services.

Why Is Welfare Reform A Disability Issue?

A significant number of families with children and/or adults with disabilities will be directly affected by the implementation of welfare reform. Early analyses of the Disability Supplement to the 1994 National Health Interview Survey show that nearly 40% of families on AFDC in 1994 had either an adult or child or both with a long-term, functional limitation. This information is self-reported.

- Of these families, almost one-half have one adult with a disability, approximately one-quarter have one or more children with a disability, and slightly over one-quarter have both a child and an adult with a disability.
- By far, the most commonly experienced disabilities in the AFDC adult population are mental illness (52% of people with disabilities on AFDC) and mental impairments (60%), with higher incidences of learning disabilities, mental retardation/developmental disabilities (MR/DD), and cognitive impairment in the AFDC population than in the general population.
- In children on AFDC, mental impairment and mental illness are the two most commonly reported disabilities, with a higher incidence of MR/DD and learning disabilities than in the adult population.
- Many of these families also receive SSI on behalf of an adult, a child or both.

Welfare reform time limits and work requirements have significant implications for people with disabilities and for federal and state income support, health and welfare policies.

What Are The Issues?

The implementation of welfare reform will raise a number of issues regarding the impact on the economic, health and social status of families with adults and/or children with disabilities. Among the most pressing are the following:

- **Will states exempt people with disabilities from work requirements?** TANF permits states to exempt up to 20% of recipients from work requirements. Forty states have already submitted plans to HHS stating broadly that they will include people with disabilities in the exempted group. How will states define disability for purposes of the exemption and how and by whom will the exemption be determined? How often will the decision be revisited? Welfare agencies and case workers have little, if any, experience assessing disability; how will they be trained? How will these exemption policies be reconciled with the requirement that state TANF programs comply with the Americans with Disabilities Act and

other civil rights protections that require states to treat people with disabilities the same way they treat TANF recipients without disabilities?

- **Will states and employers accommodate the work related needs of people with disabilities?** People with disabilities generally do not want exemptions-- they want to work. However, in many cases they need specialized training and accommodations to work; examples of accommodations include the one-time purchase of a talking computer, more time to take a GED exam for a person with reading problems, the ongoing need for personal assistance or a sign language interpreter in the workplace. Will states find ways to make these accommodations? How, and at what cost? What will be the impact on vocational rehabilitation programs?
- **How will states address the ongoing health/long-term care and insurance coverage needs of individuals with disabilities who leave the TANF rolls and go to work?** Many individuals with disabilities want to work but cannot afford to lose Medicaid coverage for special needs such as personal assistance, adaptive aids and equipment, and prescription drugs. What will states do to address this dilemma?
- **If states do not exempt people with disabilities, to what extent will demands increase on SSI?** Even under the old AFDC program, states had strong financial incentives to deflect or move people from the state/federal welfare rolls to the fully federally funded SSI rolls whenever possible. For individuals, SSI, with its higher payment rates, has been, and continues to be a more generous income support. Under TANF, with limited funds and strict work requirements, the incentives increase for both states and individuals to move to SSI. To what extent will there be increased demand on the SSI program?
- **How will the states and federal government reconcile the nexus between SSI and TANF?** Given the choice to include SSI income in establishing TANF payment rates, what will states do and what impact will those decisions have on individuals, TANF programs, and SSI?
- **What will happen to the well-being of AFDC families with children with a disability if the parent/caretaker has to go to work?** How will child care arrangements be affected, especially for children with highly specialized medical and other care needs? Will parents be granted exceptions to take care of these needs, and how will states deal with the exception process (determinations, how long, etc.)? How will children with disabilities physical and mental health, behavior, and functional abilities be affected? What will be the impact on foster care systems?

HHS Response

In response to these and other program policy concerns related to disability and welfare reform, we have undertaken or are planning several projects and initiatives. It is critical to note that many of these planned projects are in a formative, early discussion phase and commitments have not been made.

- Secretary Shalala has invited senior officials from HHS, the Social Security Administration (SSA), and the Departments of Justice, Education, Labor, and Housing and Urban Development to participate in an interagency work group on welfare reform and people with disabilities. Led by the Commissioner of the Administration on Developmental Disabilities (ADD) and the Deputy Assistant Secretary for Disability, Aging and Long-Term Care Policy (DALTCP) within the Office of the Assistant Secretary for Planning and Evaluation (ASPE), the group will discuss, coordinate and advise on the Administration's response to the welfare reform and disability issues outlined above, and other issues that emerge.
- The Administration for Children and Families (ACF) and ASPE are discussing how to best track the impact of welfare reform on people with disabilities. We are reviewing the large longitudinal studies that are tracking the impact of welfare reform and other policy changes on families and children. Current plans are to: (a) encourage disability questions to be added to each study, to enable special analyses to be conducted; and (b) contract with one of the project teams to add a disability component to its survey, analysis and dissemination. We would hope to see this contract in place by the Fall at the latest, to ensure that the disability component is in place for the first round of surveys. We are meeting with other HHS OP/STAFFDIVS and other agencies such as the Social Security Administration and Department of Education to solicit their participation.
- ASPE, ACF and ADD (and possibly other agencies) have tentative plans to collaborate on a policy study to survey all (or selected) states to track the manner in which they respond to welfare reform changes impacting people with disabilities. If the plans come to fruition, the study would serve two purposes: (a) it would generate a status report of state activities related to the issues which are likely to affect people with disabilities; and (b) it would highlight particularly challenging problems and describe interesting/innovative approaches to resolving them. Among the areas to be covered are: work exemptions, state bifurcation programs, special efforts to help people with disabilities find and keep jobs, civil rights issues, child care, and other areas of interest. This study may also include case studies of states that have experience in addressing some of the issues of concern.
- ASPE is speaking to a number of HHS organizations and outside partners about the idea of adding a "disability supplement" to an ongoing survey of the impact of welfare related policy changes on low income families with children. This activity

could measure the extent of disability in the survey population and measure or address the impact of welfare reform.

- ASPE and ADD are coleading a disability subgroup of the Teenage Pregnancy Prevention Work Group. Members include representatives from Health Care Financing Administration (HCFA) Medicaid Bureau, Maternal and Child Health Bureau (MCHB), and the National Institute on Disability and Rehabilitation Research. This group has been very active in promoting the point the teens with disabilities, especially those with learning, cognitive, and emotional disabilities, are at even higher risk than other teens for early pregnancy and childbearing. Thus, whether traditional family planning organizations realize it or not, they are serving this population. A major goal of the subgroup is to inform mainstream family planning and service organizations about the complexities and special needs of teens with varying kinds of disabilities. Current projects underway include a policy paper that will provide an overview of the issue of teen pregnancy and disability, descriptions of programs that work and identification of elements of successful programs, policy issues, and research questions. MCHB is funding this work. In addition, through the HRSA Office of Population Affairs, a contractor who specializes in family planning for people with disabilities is writing a brochure for providers about teens with disabilities. The group is also coordinating a session at the July 29 "Partners" meeting at NIH.
- ADD has requested \$5 million in the FY 1999 budget to fund for five years activities conducted under the "Families of Children with Disabilities Support Act," which has been authorized for several years, but never funded. This program would be aimed at preserving, strengthening, and maintaining families with children with disabilities. The support would be provided through three year grants to states aimed at addressing problems that impede self sufficiency, such as inadequate child care, missed job training and employment opportunities, loss of medical assistance, and others.
- This year, ADD will fund a resource center to provide technical assistance and knowledge transfer on welfare reform and individuals with developmental disabilities and their families. This Center will facilitate the adaptation, transfer, and application of knowledge about assisting children and adults with developmental disabilities to live in and contribute to their communities to the welfare reform process. The center will coordinate work with ACF's "Welfare Reform Studies and Analyses" and the Child Care Inclusion Technical Assistance Project for Children with Disabilities.
- ADD is contemplating hiring a contractor to produce a paper on many of the issues raised in this document. The product would be broadly disseminated by ADD, and by ACT and ASPE through their websites and transmitted to all state welfare offices. It will be used as a basis for technical assistance to program and policy officials in states and localities.

- ACF is conducting a series of video conferences on various aspects of welfare reform, including one on employment of people with disabilities. This teleconference is expected to be held late in the summer and will emphasize technical assistance to states on including TANF recipients with disabilities in employment programs, rather than exempting them.
- MCHB supports a number of activities that integrate welfare, health, social service, and educational programs for children with special needs, with the goals of supporting independence and, ultimately, preparing adolescents with disabilities to be "healthy and ready to work." MCHB officials and staff promote a proactive, integrated approach to program implementation and policy analysis, to ensure that as welfare reform is carried out in the states, the other service needs of children with disabilities are addressed.
- HCFA is contemplating plans for research that would link Medicaid and SSA data to track health coverage and utilization by individuals who use SSI/SSDI and Medicaid, including many people with disabilities.