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Report to the Chairman, Subcommittee
on Human Resources, Committee on
Ways and Means, House of
Representatives

September 2004

TANF AND SSI

Opportunities Exist to Help People with Impairments Become More Self-Sufficient





Highlights of [GAO-04-878](#), a report to the Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

The nation's social welfare system has been transformed into a system emphasizing work and personal responsibility, primarily through the creation of the Temporary Assistance for Needy Families (TANF) block grant. The Supplemental Security Income (SSI) program has expanded policies to help recipients improve self-sufficiency. Given that SSA data indicate an overlap in the populations served by TANF and SSI, and the changes in both programs, this report examines (1) the extent that TANF recipients with impairments are encouraged to apply for SSI and what is known about how SSI caseload growth has been affected by such TANF cases, (2) the extent that work requirements are imposed on TANF recipients applying for SSI, and the range of services provided to such recipients, and (3) the extent that interactions exist between the SSI and TANF programs to assist individuals capable of working to obtain employment.

What GAO Recommends

GAO recommends that SSA, in a new demonstration project, work with TANF officials to identify recipients with impairments capable of working and coordinate services to help them improve self-sufficiency. GAO also recommends that HHS use its Web site as a clearinghouse for information regarding opportunities for TANF agencies to work with SSA. Both SSA and HHS generally agreed with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-878.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cindy M. Fagnoni (202) 512-7215 fagnonic@gao.gov.

TANF AND SSI

Opportunities Exist to Help People with Impairments Become More Self-Sufficient

What GAO Found

In our nationwide survey of county TANF offices, we found that nearly all offices reported that they refer recipients with impairments to SSI, but the level of encouragement to apply for SSI varies. While almost all of the county TANF offices stated that they advise such recipients with impairments to apply for SSI, 74 percent also follow up to ensure the application process is complete, and 61 percent assist recipients in completing the application. Because TANF offices are referring individuals with impairments to SSI, these referrals will have some effect on the SSI caseload. However, due to data limitations, the magnitude of the effect these referrals have on SSI caseload growth is uncertain. While SSA can identify whether SSI recipients have income from other sources, it cannot easily determine whether this income comes from TANF or some other assistance based on need. In addition, past research has not found conclusive evidence regarding the impact that TANF referrals have on SSI caseload growth.

Estimates from our survey found that although some TANF offices impose work requirements on individuals with impairments, about 86 percent of all offices reported that they either sometimes or always exempt adult TANF recipients awaiting SSI determinations from the work requirements. One key reason for not imposing work requirements on these recipients is the existence of state and county TANF policies and practices that allow such exemptions. Nevertheless, county TANF offices, for the most part, are willing to offer noncash services, such as transportation and job training, to adult recipients with impairments who have applied for SSI. However, many recipients do not use these services. This low utilization may be related to exempting individuals from the work requirement, but it may also be due to the recipients' fear of jeopardizing their SSI applications. Another reason for the low utilization of services is that many services are not necessarily available; budgetary constraints have limited the services that some TANF offices are able to offer recipients with impairments.

Many county TANF offices' interactions with SSA include either having a contact at SSA to discuss cases or following up with SSA regarding applications for SSI. Interactions that help individuals with impairments increase their self-sufficiency are even more limited. In all the states we visited, we found that such interactions generally existed between TANF agencies and other agencies (such as the Departments of Labor or Education). In addition, 95 percent of county TANF offices reported that their interactions with SSA could be improved. State and county TANF officials feel they have to take the lead in developing and maintaining the interaction with SSA. One SSA headquarters official stated that SSA has no formal policy regarding outreach to TANF offices but would consider a partnership provided there is some benefit for SSA. Still, about 27 percent of county TANF offices reported that they were discouraged in their attempts to establish a relationship with SSA because staff at the local SSA field office told them that they did not have the time or the interest.

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Abbreviations

AFDC	Aid to Families with Dependent Children
ALJ	Administrative Law Judge
DDS	Disability Determination Service
DI	Disability Insurance
HHS	Department of Health and Human Services
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
SSA	Social Security Administration
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families

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G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

September 15, 2004

The Honorable Wally Herger
Chairman, Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

Over the past several years, the nation's social welfare system has been transformed from a system emphasizing income support to one emphasizing work and personal responsibility. Central to this transformation was the creation of the Temporary Assistance for Needy Families (TANF) block grant in 1996. Administered by the Department of Health and Human Services (HHS), TANF provides states with \$16.5 billion each year. The Social Security Administration's (SSA) disability programs, including the Supplemental Security Income (SSI) program, have also recently expanded policies and initiated demonstration projects aimed at helping recipients enter the workforce and achieve self-sufficiency. SSI, which serves adults with low income and assets, paid about \$18.6 billion in benefits in 2002 to about 3.8 million working age (18-64) recipients with blindness or other disabilities.¹

SSA's disability determination process can be lengthy, extending over 2 years when all administrative appeals are included. Concerns exist whether TANF recipients with impairments who are applying for SSI receive employment-related services while waiting for an eligibility determination. The disability management literature has emphasized that the longer an individual with an impairment remains out of the workforce the less likely the individual is to ever return to work. Providing such services in a timely manner also has implications for TANF recipients running up against the TANF program's 5-year time limit because in 2000, nearly 59 percent of all working age applicants for SSI were denied benefits.²

¹SSI also provides income assistance to children with disabilities and the aged who have low income and assets.

²This includes individuals who may have been denied benefits and abandoned their claims before exhausting all appeals.

While TANF caseloads have decreased since the program's inception, in 1996, not all recipients leave TANF to go to work. Some recipients with impairments severe enough to qualify them for SSI leave TANF once they are determined eligible for SSI. SSA administrative data have shown an overlap in the populations served by TANF and SSI: Up to 25 percent of the SSI caseload age 18 to 64 received income assistance based on need (including TANF) prior to becoming eligible for SSI, and this figure has remained fairly stable over the past few years.³

Given the new environment in which both programs have placed increased emphasis on encouraging recipients to find employment, and the overlap in both populations, this report examines (1) the extent to which TANF recipients with impairments are encouraged to apply for SSI and what is known about how SSI caseload growth has been affected by such TANF cases; (2) the extent to which work requirements are imposed by TANF agencies on their recipients who are applying for SSI, and the range of services TANF agencies provide to such recipients with impairments; and (3) the extent to which interactions exist between the SSI and TANF programs to assist individuals capable of working obtain employment.

To do this work, we conducted a mail survey of a stratified random sample of 600 county TANF offices,⁴ representative of county TANF offices nationwide. The survey gathered data on the extent that TANF recipients with impairments are encouraged to apply for SSI, whether work requirements are imposed and the type of services provided during the period of SSI eligibility determination, and the extent that interactions exist between the SSI and TANF programs. Our survey achieved an 88 percent response rate, and we weighted the results to generalize our findings to all county TANF offices nationwide.⁵ To determine what is known about how SSI caseload growth has been affected by TANF referrals for SSI, we identified and reviewed reports studying this issue and assessed each study's findings. We also visited five states (Arizona,

³A field in SSA's database does indicate whether an applicant receives assistance based on need, but this includes TANF as well as other forms of income assistance based on need. While this does not give an accurate estimate of the portion of SSI recipients who were TANF recipients, it does provide an upper bound.

⁴The surveys were mailed to either the director of the county TANF office or the regional director, depending on the structure of the TANF program in each state. The surveys were completed by the director or his/her designee.

⁵Sampling errors for estimates presented in this report did not exceed 5 percentage points. See appendix I for a more detailed discussion of sampling errors.

Colorado, Iowa, Oregon, and Vermont) known for providing employment-related services to TANF recipients with impairments, to gain an understanding of the types of interactions that exist between the SSI and TANF programs and to assess whether there are opportunities for improving these agencies' efforts at assisting their recipients with impairments into employment. In each of these states, we interviewed state and county TANF officials, and SSA field office staff, as well as SSA headquarters officials. We conducted our work between June 2003 and May 2004 in accordance with generally accepted government auditing standards. See appendix I for a more detailed discussion of our methods.

Results in Brief

Estimates from our nationwide survey of county TANF offices indicated that almost all offices reported that they encourage at least some TANF recipients with impairments to apply for SSI, but the effect these TANF referrals have had on SSI caseload growth is inconclusive. In order to better serve individuals with impairments, nearly all TANF offices rely on one or more methods to identify impairments. Although nearly all county TANF offices reported that they refer recipients with impairments to SSI, the level of encouragement that these individuals receive to apply for SSI appears to vary. While almost all county TANF offices stated that they advise such recipients with impairments to apply for SSI, about 74 percent also follow up to ensure the application process is complete, and about 61 percent assist recipients in completing the application. Because TANF offices are referring individuals with impairments to SSI, these referrals will have some effect on the SSI caseload. However, due to data limitations, the magnitude of the effect these referrals have on SSI caseload growth is uncertain. While SSA can identify whether SSI applicants have income from other sources, it cannot easily determine whether this income comes from TANF or some other assistance based on need. Furthermore, SSA does not collect any data indicating whether an applicant is referred from another program. In addition, past research has not found conclusive evidence regarding the impact that TANF referrals have on SSI caseload growth.

Although some TANF offices impose work requirements on individuals with impairments, about 86 percent of all offices reported that they either sometimes or always exempt adult TANF recipients with impairments awaiting SSI eligibility determinations from the work requirement. One key reason, cited by some county TANF officials we interviewed, for not imposing work requirements on adult TANF recipients with impairments awaiting SSI is the existence of state or county TANF policies and practices that exempt recipients from the work requirements.

Nevertheless, county TANF offices, for the most part, are willing to offer noncash services, such as transportation and job training, to adult recipients with impairments who have applied for SSI. However, our survey and interviews with state and county TANF officials indicate that many recipients do not use these services. This low utilization may be related to exempting individuals from the work requirement, but there are other reasons. Some TANF officials we interviewed in the states we visited said that one of the reasons recipients with impairments do not use these services is because of the recipient's fear of jeopardizing their SSI applications. Another reason for the low utilization of services is that many services are not necessarily available. Forty percent of county TANF offices noted that one of the reasons adult TANF recipients with impairments were not participating in work activities was an insufficient number of job training or related services. Some state and county TANF officials we interviewed indicated that budgetary constraints have also limited the services that they are able to offer recipients with impairments.

Interactions between TANF offices and SSA are limited. Our survey showed that some TANF offices have stated an interest in developing a relationship with SSA. However, estimates from our survey showed that 53 percent of counties reported that their interactions included having a contact with SSA, and 64 percent reported that their interactions included following up with SSA regarding a recipient's application for SSI. According to our survey results and interviews with TANF officials in the states we visited, interactions that help individuals with impairments increase their self-sufficiency are limited. In the states we visited, we found that such interactions generally existed between TANF agencies and other agencies (such as the Department of Labor or Department of Education). Nevertheless, county TANF offices would like to improve their interactions with SSA, with 95 percent of county TANF offices reporting that their interactions could be improved. For example, about 57 percent of counties reported that receipt of training on the SSI application process and eligibility requirements is a useful interaction. However, only 6 percent of counties reported that they would like to improve interactions with SSA specifically related to providing SSA with information on employment-related services, such as vocational rehabilitation, that recipients received prior to applying for SSI. Some state and county TANF officials that we interviewed also said that they felt they had to take the lead in developing and maintaining interactions with SSA. One SSA headquarters official indicated that SSA has no formal policy regarding outreach to TANF offices but would consider such a partnership provided there is some benefit for SSA. The official also added that they will always respond to TANF training or information requests.

However, about 27 percent of county TANF offices reported that they were discouraged in their attempts to establish a relationship with SSA because the local SSA field office told them that they did not have the time or the interest.

In order to help individuals with impairments increase self-sufficiency and to address the gap in continuous work services between TANF and SSI, we are recommending that SSA, as part of a new demonstration project, work with TANF agencies to identify those low-income individuals with impairments who while potentially eligible for SSI may also have the capacity to work, and coordinate services to increase the likelihood that such individuals can obtain employment and become more self-sufficient. In order to facilitate and encourage a sharing of information among TANF offices to increase self-sufficiency of recipients with impairments, we are recommending that HHS provide space on its Web site to serve as a clearinghouse for information regarding best practices and opportunities for TANF agencies to interact with SSA. HHS should be able to minimize its work and expense by using its Web site to share this information. Both SSA and HHS generally agreed with our recommendations and indicated that they look forward to working together to help low-income individuals with impairments become more self-sufficient.

Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced the individual entitlement to benefits under the 61-year-old Aid to Families with Dependent Children (AFDC) program with TANF block grants to states and emphasized the transitional nature of assistance and the importance of reducing welfare dependence through employment. Administered by HHS, TANF provides states with \$16.5 billion each year,⁶ and in fiscal 2002, the total TANF caseload consisted of 5 million recipients. PRWORA provides states with the flexibility to set a wide range of TANF program rules, including the types of programs and services available and the eligibility criteria for them. States may choose to administer TANF directly, devolve responsibility to the county or local TANF offices, or contract with nonprofit or for-profit providers to administer TANF. Some states have also adopted “work first” programs, in which recipients typically are provided orientation and

⁶In addition to federal funds, states must also provide funding for TANF. However, states are not required to spend all of their block grant in the year the money is received; instead they can accumulate unused funds to be used at a later time. Therefore, total TANF expenditures in 2002, including federal, state, and accumulated funds, totaled \$28.4 billion.

assistance in searching for a job; they may also receive some readiness training. Only those unable to find a job after several weeks of job search are then assessed for placement in other activities, such as remedial education or vocational training.

While states have great flexibility to design programs that meet their own goals and needs, they must also meet several federal requirements designed to emphasize the importance of work and the temporary nature of TANF aid. For example, TANF established stronger work requirements for those receiving cash benefits than existed under AFDC. Furthermore, to avoid financial penalties, states must ensure that a steadily rising specified minimum percentage of adult recipients are participating in work or work-related activities each year. To count toward the state's minimum participation rate, adult TANF recipients in families must participate in a minimum number of hours of work or a work-related activity a week, including subsidized or unsubsidized employment, work experience, community service, job search, providing child care for other TANF recipients, and (under certain circumstances) education and training. If recipients refuse to participate in work activities as required, states must impose a financial sanction on the family by reducing the benefits, or they may opt to terminate the benefits entirely. States must also enforce a 60-month limit (or less at state option) on the length of time a family may receive federal TANF assistance,⁷ although the law allows states to provide assistance beyond 60 months using state funds.⁸

The TANF caseload includes, as did AFDC, low-income individuals with physical or mental impairments considered severe enough to make them eligible for the federal SSI program. Administered by SSA, SSI is a means-tested income assistance program that provides essentially permanent cash benefits⁹ for individuals with a medically determinable physical or mental impairment that has lasted or is expected to last at least 1 year or to result in death and prevents the individual from engaging in substantial

⁷A state may exempt up to 20 percent of its average monthly caseload for hardship or having been subjected to domestic violence.

⁸Estimates from our survey show that only 2 percent of counties always, and 16 percent sometimes, move TANF recipients with impairments awaiting SSI determinations to state only funded cash assistance.

⁹While the SSI regulations do not guarantee permanent benefit status, only 0.4 percent of SSI disability recipients leave SSI because of work, and only 6.8 percent are no longer eligible because of medical improvement. Excess income or resources can also end a person's SSI benefits.

gainful activity. To qualify for SSI, an applicant's impairment must be of such severity that the person is not only unable to do previous work but is also unable to do any other kind of substantial gainful work that exists in the national economy. Work is generally considered substantial and gainful if the individual's earnings exceed a particular level established by statute and regulations.¹⁰ SSA also administers the Disability Insurance program (DI), which uses the same definition of disability, but is not means-tested and requires an individual to have a sufficient work history.

For both DI and SSI, SSA uses the Disability Determination Service (DDS) offices to make the initial eligibility determinations.¹¹ If the individual is not satisfied with this determination, he or she may request a reconsideration of the decision with the same DDS.¹² Another DDS team will review the documentation in the case file, as well as any new evidence, and determine whether the individual meets SSA's definition of disability. If the individual is not satisfied with the reconsideration, he or she may request a hearing before an Administrative Law Judge (ALJ). The ALJ conducts a new review and may hear testimony from the individual, medical experts, and vocational experts. If the individual is not satisfied with the ALJ decision, he or she may request a review by SSA's Appeals Council, which is the final administrative appeal within SSA.¹³ Despite recent improvements to the process, going through the entire process, including all administrative appeals, can average over 2 years.

In most states, SSI eligibility also entitles individuals to Medicaid benefits. TANF recipients may apply for Medicaid benefits and are likely to qualify, but receipt of TANF benefits does not automatically qualify a recipient for Medicaid.

¹⁰In 2004 the substantial and gainful activities level for nonblind individuals is \$810 per month, and for blind individuals is \$1,350 per month, of countable earnings. Both levels are indexed to the average wage index.

¹¹There are 54 primarily state-operated DDS offices; their staff consists generally of a variety of positions such as disability examiners, medical consultants, vocational specialists, and quality assurance personnel.

¹²In September 2003, the Commissioner testified before the House Committee on Ways and Means, saying that she intended to revise the disability determination process. For example, she proposed eliminating the reconsideration and the Appeals Council stages of the current process.

¹³If the individual is not satisfied with the Appeals Council action, the individual may appeal to a federal district court. The individual can continue legal appeals to the U.S. Circuit Court of Appeals and ultimately to the Supreme Court of the United States.

While SSA has recently expanded policies and initiated demonstration projects aimed at helping DI and SSI beneficiaries enter or return to the workforce and achieve or at least increase self-sufficiency, its disability programs remain grounded in an approach that equates impairment with inability to work. This approach exists despite medical advances and economic and social changes that have redefined the relationship between impairment and the ability to work. The disconnect between SSA's program design and the current state of science, medicine, technology, and labor market conditions, along with similar challenges in other programs, led GAO in 2003 to designate modernizing federal disability programs, including DI and SSI, as a high-risk area urgently needing attention and transformation.¹⁴

The Ticket to Work and Work Incentives Improvement Act of 1999 amended the Social Security Act to create the Ticket to Work and Self-Sufficiency Program (Ticket Program). This program provides most DI and SSI beneficiaries with a voucher, or "ticket," which they can use to obtain vocational rehabilitation, employment, or other return-to-work services from an approved provider of their choice. The program, while voluntary, is only available to beneficiaries after the lengthy eligibility determination process. Once an individual receives the ticket, he or she is free to choose whether or not to use it, as well as when to use it. Generally, disability beneficiaries age 18 through 64 are eligible to receive tickets. The Ticket Program has been implemented in phases and is to be fully implemented in 2004.

The Social Security Advisory Board¹⁵ (Advisory Board) has questioned whether Social Security's definition of disability is appropriately aligned with national disability policy. The definition of disability requires that individuals with impairments be unable to work, but then once found eligible for benefits, individuals receive positive incentives to work.¹⁶ Yet

¹⁴GAO, *High-Risk Series: An Update*, GAO-03-119 (Washington, D.C.: Jan. 1, 2003).

¹⁵The Social Security Advisory Board is an independent, bipartisan board created by the Congress and appointed by the President and the Congress to advise the President, the Congress, and the Commissioner of Social Security on programs and matters related to SSA.

¹⁶In addition to the Ticket Program, SSA also offers other work incentives to disability beneficiaries aimed at encouraging work. For SSI recipients, these work incentives include such things as earned income exclusions (which are intended to make work more enticing since some earned income is excluded from countable income), a deduction for impairment-related work expenses, and continuation of SSI, which allows beneficiaries to work and continue receiving benefits until their countable income exceeds the SSI limit.

the disability management literature has emphasized that the longer an individual with an impairment remains out of the workforce the more likely the individual is to develop a mindset of not being able to work and the less likely the individual is to ever return to work.¹⁷ Having to wait for return-to-work services until determined eligible for benefits may be inconsistent with the desire of some individuals with impairments who want to work but still need financial and medical assistance. The Advisory Board, in recognizing that these inconsistencies need to be addressed, has suggested some alternative approaches. One option they discussed in a recent report is to develop a temporary program, which would be available while individuals with impairments were waiting for eligibility determinations for the current program. This temporary program might have easier eligibility rules and different cash benefit levels but stronger and more individualized medical and other services needed to support a return to work.¹⁸

SSA has also realized that one approach may not work for all beneficiaries, and in recent years it has begun to develop different approaches for providing assistance to individuals with disabilities. One example of these efforts is the proposed Temporary Allowance Demonstration, which would provide immediate cash and medical benefits for a specified period to individuals who meet SSA's definition of disability and who are highly likely to benefit from aggressive medical care. SSA is also in the process of developing the Early Intervention Demonstration. This demonstration project will test alternative ways to provide employment-related services to disability applicants. Although both of these demonstration projects only cover the DI program, SSA also has the authority to conduct other demonstration projects with SSI applicants and recipients.

¹⁷GAO, *SSA Disability: Return-to-Work Strategies From Other Systems May Improve Federal Programs*, [GAO/HEHS-96-133](#) (Washington, D.C.: July 11, 1996).

¹⁸Social Security Advisory Board, *The Social Security Definition of Disability*, (Washington, D.C.: Oct. 2003).

TANF Recipients with Impairments Are Encouraged to Apply to SSI; Impact on SSI Caseload Growth Is Inconclusive

Estimates from our nationwide survey of county TANF offices indicated that almost all offices reported that they refer at least some recipients with impairments to apply for SSI. But the level of encouragement these individuals receive from their local TANF office to apply for SSI varies, with many offices telling the individual to apply for SSI and some offices helping the recipient complete the application. Because TANF offices are referring individuals to SSI, these referrals will have some effect on the SSI caseload. However, findings regarding the impact that these SSI referrals from TANF have on SSI caseload growth are inconclusive, due to data limitations.

Nearly All County TANF Offices Refer Recipients with Impairments to Apply for SSI, but the Level of Encouragement Varies

Based on estimates from our survey, 97 percent of all counties refer at least some of their adult TANF recipients with impairments to SSA to apply for SSI. As table 1 shows, 33 percent of county TANF offices said that it is their policy to refer to SSI only those adults whose impairments are identified as limiting or preventing their ability to work. However, another 32 percent of county TANF offices said that it is their policy to refer all TANF recipients identified with impairments to SSI for eligibility determinations.

Table 1: County TANF Office Policies for Referring Adult Cash Recipients to SSI

Policy	Percent
Refer all recipients with impairments	32
Refer based on criteria from SSI eligibility determination process	13
Refer only those who are work limited	33
No policy	20

Source: Percentages are estimated from GAO survey of county TANF offices.

Note: Respondents were also given the option of indicating that their policy was something other than those listed above, and 2 percent of respondents indicated other.

TANF offices reported that they rely on several methods to identify an individual's impairment and assess whether the individual could work or should be referred to SSI. Estimates from our survey indicated that all county offices rely on the applicant to disclose his or her impairment. In addition, 96 percent of all counties rely on caseworker observation, about 57 percent use a screening tool, and about 60 percent use an intensive assessment.

Once recipients are identified as having impairments, TANF offices need to decide which individuals to refer to SSI. As table 2 shows, many

counties rely on multiple forms of documentation or other information to make this decision, rather than referring all individuals with impairments. Specifically, 94 percent of all counties reported that they use documentation from a recipient’s physician, and 95 percent reported that they use self-reported information from the recipient.

Table 2: Information Used by County TANF Offices to Determine Whether to Refer Adult Recipients to SSI

Information	Percent
Documentation from recipient’s physician	94
Documentation from medical professional other than a physician	80
Evaluation by an on-site or vendor medical professional	31
Evaluation of recipient’s ability to work by state vocational rehabilitation worker	70
Informal evaluation by caseworker or social worker	85
Documented evaluation by caseworker	49
Behavior observed by caseworker	82
Self-reported information from recipient	95

Source: Percentages are estimated from GAO survey of county TANF offices.

While nearly all county TANF offices reported that they refer at least some individuals with impairments to SSI, the level of encouragement such individuals receive from their local TANF office appears to vary. About 98 percent of county TANF offices reported that they tell these recipients to call or go to SSA to apply for SSI. About 61 percent reported that they will also assist a recipient in completing the SSI application, and about 74 percent reported that they follow up to ensure the application process is complete. Some of the variation in the level of encouragement may be explained by the fact that some states are work first states. Officials we interviewed in four states acknowledged that they try to get all TANF recipients to work, including recipients with impairments. Therefore, while they make referrals to SSI, officials in these work first states told us that they try to encourage work more than the SSI application process.¹⁹ However, officials in all five of the states we visited stated that if they feel an individual has a severe impairment, they would have the individual apply for SSI.

¹⁹The labor market may also be a contributing factor in deciding to refer an individual with an impairment to SSI.

Findings About How SSI Caseload Growth Has Been Affected by Referred TANF Recipients with Impairments Are Inconclusive due to Data Limitations

Since county TANF offices refer individuals with impairments to SSI, these referrals will have some effect on the SSI caseload. To determine the magnitude of the effect that these TANF referrals have had on SSI caseload growth, SSA would need to know who among their applicants are TANF recipients. However, SSA headquarters officials told us that the agency does not know who is referred or how people are referred because it does not collect those data. Although the SSI application specifically asks whether the applicant is receiving TANF, this information is combined with other income assistance based on need in SSA's database.²⁰ Therefore, while the working age (18-64) SSI caseload has increased 33 percent over the last decade, SSA does not have an easy way to accurately determine the magnitude of the effect that the TANF referrals have had on the growth of the SSI rolls.²¹

Also, in a study funded by SSA and conducted by The Lewin Group, researchers found little, if any, evidence that TANF had increased referrals to SSI.²² Only one of the five states the researchers visited remarked of a perceptible increase in transitions to SSI. The authors noted that the likely reason for not finding a significant increase in referrals due to welfare reform is the fact that referrals to SSI had already been occurring under AFDC, and that the full impact of the welfare reform changes would not be known until the time limit for benefit receipt had elapsed.²³ However, to date there have not been any studies that looked at this issue.

In addition to SSA not knowing the magnitude of the effect that TANF referrals have had on SSI caseload growth, TANF officials we interviewed stated that they generally do not have historical data on SSI referrals, approvals, and denials. But officials in most states that we visited said they are in the process of improving their data collection in this respect,

²⁰In order for SSA to obtain this information, special processing runs are required. Based upon recent work, SSA determined that 95 percent of the reported income based on need was from TANF.

²¹Over the last few years, the percentage of the SSI caseload age 18 to 64 that received income assistance based on need prior to becoming eligible for SSI has remained fairly stable at 25 percent. While this does not give an accurate estimate of the portion of SSI recipients who were TANF recipients, it does provide an upper bound.

²²Cornell University and The Lewin Group, *Policy Brief: Transitions from AFDC to SSI Prior to Welfare Reform*, (Ithaca, NY: Feb. 1, 2000).

²³HHS pointed out that recipients in all states have reached the 5-year national time limit. However, all states are under the 20 percent limit on extensions, so there is no reason to expect a sharp increase in referrals to SSI.

including tracking methods to determine the status of an SSI application, which should provide them with better data in the future.

TANF Offices Differ in Their Exemptions from Work Requirements, but Utilization of Noncash Services Is Generally Low

TANF offices vary in whether they make work requirements mandatory for their adult recipients with impairments awaiting SSI eligibility determinations. Even though estimates from our survey showed that 83 percent of county TANF offices reported offering noncash services to TANF recipients with impairments who are awaiting SSI eligibility determinations, these services may not be available or are not fully utilized. Reasons for this low service utilization may include exemptions from the work requirements and an insufficient number of job training or related services.

Work Requirements Are Not Always Mandatory for Those TANF Recipients with Impairments Awaiting SSI Eligibility Determinations

Estimates from our survey showed that about 86 percent of county TANF offices have policies that always or sometimes exempt from the work requirements adult TANF recipients with impairments who are referred to SSI for eligibility determinations. Also, about 31 percent of county TANF offices consider the number of times a recipient is denied and appeals an SSI decision as a factor when deciding to exempt recipients from the work requirements.

Our survey further found that 82 percent of counties reported exempting recipients, in part, on the basis of the degree to which the impairment limits the recipient's ability to work. In addition, about 69 percent of county TANF offices reported that the severity of the impairment was a major factor in their decisions to exempt people with impairments who are awaiting SSI determinations from work requirements. One TANF official we interviewed told us that the recipients' impairments were too great to participate in work activities.

However, some of the state and county TANF officials we interviewed explained that they have developed alternative practices to help recipients with impairments participate in work activities. TANF officials from two of the states we visited told us that they have developed a modified work requirement for adult TANF recipients with impairments.²⁴ A TANF official

²⁴A modified work policy, for example, allows TANF recipients with impairments to work fewer hours than the federal work requirement without being sanctioned. Modified work policies are defined by the state and are not federally approved.

from one of these states said that the modified work requirements encourage individuals with impairments to work, but they do not expect that these individuals will be able to work in a full-time capacity. One county TANF official we interviewed explained that the work requirements and services provided for their recipients with impairments are very individualized, based on recommendations of the doctors who meet with the recipients. However, in all of the states and counties we visited, TANF officials said that individualized services can be costly. One state official said that his state's program does not have the funds to pay for the training needed by people with learning disabilities. The official added that when people with impairments need substantial help, there were limits as to what could be funded in a work first state.

**A Broad Range of Services
Are Offered to Recipients
Awaiting SSI
Determinations, but
Utilization Is Low**

Even though about 51 percent of county TANF offices do not require adult TANF recipients awaiting SSI determinations to participate in any type of job services, education services, work experience programs, or other employment services, 83 percent of county TANF offices reported that they are still willing to provide work-related or support services to this population. One state official we interviewed reported that the services provided are the same for persons with or without impairments. Officials in this state explained that these services include transportation, child care, medical assistance, tuition assistance, vocational rehabilitation, and assistance with obtaining SSI benefits.

Even though county TANF offices may be willing to offer noncash services to their recipients, among those counties that could provide us with information on service utilization, utilization of these services tended to be low. While the low utilization of services may be due to exemptions from the work requirements, service availability may also be an issue. Estimates from our survey showed that 40 percent of county TANF offices reported one of the reasons adult TANF recipients with impairments, who are awaiting SSI eligibility determinations, are not participating in work activities is that there are an insufficient number of job training or related services available for them to use. In addition, some TANF officials that we interviewed cited not only limited funding, but also their offices' own TANF policies as factors that might explain why services may not be available to recipients with impairments. For example, a state TANF official we interviewed said that state budget cuts have resulted in trimming of support services made available to recipients. Another state official explained that adult recipients with impairments who are placed in an exempted status are allowed access to medical services but not work-related support services, such as transportation, clothing, or vehicle

repairs. The official further explained that those services are limited to those individuals who are in work activities.

In addition, estimates from our survey showed that 50 percent of county TANF offices reported recipients' motivation to apply for SSI was one of the conditions that might challenge or hinder their offices in providing employment services. Some state and county TANF officials we interviewed also believe that one of the main reasons why there is low utilization of services is recipients' fear of jeopardizing their SSI applications. While participation in a work activity does not necessarily preclude an individual from obtaining disability benefits from SSA, estimates from our survey showed that 41 percent of county TANF offices reported that their recipients with impairments, awaiting SSI eligibility determinations, are unsure whether or not the demonstration of any work ability would hinder or disqualify their chances for SSI eligibility. State and county TANF officials we interviewed explained that recipients applying for SSI or awaiting an SSI decision fear participating in work activities. Some of the county TANF officials we interviewed explained that this population does not want to participate in work-related services for fear of jeopardizing their applications. These officials noted that compounding recipients' fears are attorneys who may be attempting to protect their clients' interests by sending TANF offices notices saying that any work activity could jeopardize their clients' SSI applications. These fears have led to TANF workers having some difficulty in getting their recipients with impairments to explore work options during the time they are applying for SSI. One state TANF official we interviewed pointed out that conversations with their recipients about work activities have generally occurred because the recipients want to volunteer for such activities. A county TANF official explained that there is a challenge in providing work services to this population, as the recipients are so focused on getting on SSI that it is difficult to get them to focus on anything else.

Yet another reason for the low use of noncash service is that some of the county TANF officials we interviewed expressed some uncertainty as to how to best serve their adult TANF recipients with impairments, explaining that they are sending mixed signals when it comes to encouraging work. One county TANF official we interviewed said that on one hand, recipients are being told about using TANF services to obtain employment, and then, on the other hand, recipients are being told to apply for SSI benefits, which require an applicant to focus on his or her inability to work. Some TANF offices also allow TANF recipients with impairments to count applying for SSI as a work activity. Estimates from our survey showed that about 30 percent of county TANF offices reported

that they consider the SSI application process an activity that satisfies the work requirement. Also, another county official we interviewed stated that if a client goes into an exempted status, the client must participate in at least one activity a week, but not necessarily a work activity. It can be any service the TANF office has to offer, including physical therapy or assistance in completing the SSI application.

Some Interaction Between County TANF Offices and SSA Exists, but Opportunities Exist for Improvement

Some county TANF offices have developed interactions with SSA offices, but such interactions have been of a limited nature and have focused on the SSI application process. Estimates from our survey indicated that some TANF offices have some form of interaction with SSA. Estimates from our survey also showed that two frequently reported forms of interaction between county TANF offices and SSA include having a contact at SSA with whom to discuss cases and following up with SSA regarding applications for SSI.

In describing his office's interactions with SSA, one state TANF official we interviewed said that his office, SSA, and DDS have a good working relationship, which includes cross training between the agencies and discussions concerning the SSI application process. However, estimates from our survey showed about 95 percent of county TANF offices reported that they would like to develop a relationship, or improve their relationship, with their local SSA field office with regard to adult TANF recipients applying for SSI. One state TANF official that we interviewed said that his office does not have much of a relationship with SSA. He noted that he had no contacts within SSA but would like to develop a formal relationship with DDS so that they could make faster determinations for the deferred TANF caseload. A county TANF official we interviewed said that her office's communication with SSA is largely one-sided. This TANF official explained that even though her office sends documentation that supports a recipient's SSI application, SSA does not inform them of any eligibility decisions it makes with TANF applicants. As a result, TANF staff must rely on their recipients telling them about decisions or on a computer system that indicates if an individual is receiving benefits. Finally, in all of the states we visited, TANF officials told us that they interact with SSA to assist their TANF recipients with impairments get onto SSI. Estimates from our survey also showed that 64 percent of counties reported that their interactions were TANF officials following up with SSA regarding a recipient's SSI application, and 53 percent reported having a contact at SSA to discuss cases.

TANF offices identified a number of ways they would like to improve interactions with SSA, but most of these focused on making the SSI application process more efficient and not on working together to assist TANF recipients with impairments toward employment and self-sufficiency. Estimates from our survey showed about 57 percent of the county TANF offices said that they would like to receive training from SSA regarding the SSI application process and eligibility requirements, 50 percent said they would like to have a contact at SSA with whom to discuss cases, and 41 percent said they would like to have regular meetings or working groups with SSA regarding interactions and other issues related to serving low-income individuals with impairments. In addition, one TANF official we interviewed would like interactions with SSA to be improved and thinks they could be if he knew what DDS was looking for in the application process, such as what it requires for evidence. In contrast, only 6 percent of county TANF offices reported that they would like to improve interactions with SSA specifically related to providing SSA with information on employment-related services received while on TANF.

Although TANF offices reported an interest in developing a close working relationship with SSA, based on their interactions with SSA, some state and county TANF officials believed that they had to take the lead in developing these relationships. For example, one TANF official we interviewed explained that he had attempted to make contact with SSA to discuss a potential partnership and address some of the county's issues with the SSI application process but received no response. The county official then wrote a letter to a top SSA regional official asking about partnering opportunities. In response, the regional official instructed the SSA area director, along with the local SSA and state DDS office, to meet with county officials.

One SSA headquarters official we interviewed told us there is no SSA policy that directs or encourages their field offices to interact with TANF offices. The official also told us that SSA would consider such a partnership with TANF offices but would want assurances of what the benefits would be for SSA. In addition, the official said that the agency does not want to start up a partnership that would overly tax its already high workloads. The official further said that if it were to develop a relationship with TANF offices, SSA would then have to develop a training program and then administer it to all operations personnel. The official noted that developing and administering such a training program would not be a small task. SSA officials did state that if a TANF office makes a request for training sessions, SSA would be willing to provide training on

the application process. However, about 27 percent of county TANF offices reported that they were discouraged in their attempts to establish a relationship with SSA because the local SSA field office told the TANF office that SSA did not have the time or the interest.

While officials at SSA headquarters stated that they are largely unaware of any partnerships or interactions between TANF offices and local SSA field offices, some local SSA officials have found such relationships beneficial. In particular, one SSA official has found his office's relationship with the local TANF office to be a form of outreach for SSA by helping his office identify people who would qualify for SSI. He explained that his local SSA office does not always have the time or staff to conduct outreach. He further explained that TANF case managers can explain the benefits and provide assistance to the TANF recipient applying for SSI. Thus, when a letter comes from the DDS that initially denies the claim, the individual is less likely to throw it away, as he or she is more aware of the process. This could save SSA time and money as the applicant knows that he or she must appeal within a certain amount of time, thereby reducing the need to start over because of missed deadlines.

While 34 percent of those county TANF offices that provide services to recipients awaiting SSI eligibility determinations reported interacting with SSA in some manner to serve adult TANF recipients with impairments, a much higher proportion reported receiving assistance from other agencies or programs. For example, as table 3 shows, 91 percent of county TANF offices reported that at least some of their recipients awaiting SSI determinations received assistance from the state vocational rehabilitation agencies, and 86 percent of all offices reported that at least some of their recipients received assistance from the state or local mental health agency. Further, in all of the states we visited, TANF offices reported working with other agencies, such as the Department of Education and the Department of Labor, to help TANF recipients with impairments find work.

Table 3: Agencies or Programs That Support TANF Offices by Providing Services to At Least Some Adult TANF Cash Recipients Awaiting SSI Eligibility Determinations

Agencies	Percent
State Vocational Rehabilitation	91
Other U.S. Department of Education Programs	67
Social Security Administration	34
U.S. Department of Labor	69
State or Local Mental Health Agency	86
Community Programs	67
Other	9
None	1

Source: Percentages are estimated from GAO survey of county TANF offices.

Conclusions

With the new emphasis on work and self-sufficiency taken by TANF and SSI, and the overlap in the populations served by both programs, opportunities exist to improve the way these two programs interact in order to help individuals with impairments become more self-sufficient. While some interactions between TANF offices and SSA do exist, they are often limited to how best to assist a TANF recipient with impairments become eligible for essentially permanent cash benefits under SSI. Moreover, the practice by most TANF offices of exempting individuals from work requirements while awaiting SSI eligibility determination, as well as SSA's policy of offering return-to-work services and incentives only after a lengthy eligibility process, undermines both programs' stated goals of promoting self-sufficiency. In addition, this practice runs counter to the disability management literature that has emphasized that the longer an individual with an impairment remains out of the workforce the less likely the individual is to ever return to work. In recognition of this, SSA is planning demonstration projects that will test alternative ways to provide benefits and employment supports to DI applicants. However, TANF recipients with impairments, because of their low income and assets, are more likely to apply and qualify for SSI. Moreover, TANF recipients with impairments often receive assessments of their conditions and capacity to work while on TANF. Since SSA cannot easily identify who among its applicants are TANF recipients, SSA is also unable to systematically identify the types of services that the SSI applicant may have received through TANF or know whether the SSI applicant has been assessed as having the capacity to work or not. Being able to identify the receipt of TANF benefits, as well as the noncash services received through TANF, may help SSA accomplish its mission of promoting the employment of

beneficiaries with impairments. By sharing information and establishing better working relationships with TANF agencies, SSA could identify, among its applicants who are or were TANF recipients, those individuals capable of working and could then target them for employment-related services and help them achieve self-sufficiency or at least reduce their dependency on cash benefits. Although the disconnect in work requirements between TANF and SSA's disability programs and the timing of when employment-related services are provided to SSI recipients could be barriers to establishing a continuity of services, the earlier provision of employment-related services, as part of a demonstration project, could mitigate these potential barriers.

While some county TANF officials we interviewed have developed working relationships with their local SSA office, other counties have not or may be unaware of the possibilities for interactions with SSA and how to go about establishing these relationships. Sharing best practices about how TANF agencies can distinguish, among the recipients they have referred to SSI, those individuals without the capacity to work from those with the capacity to work and who could benefit from employment-related services could help ensure that those individuals with work capacity be given the assistance they need to help them obtain employment. Moreover, sharing best practices for establishing useful interactions with SSA could help ensure that employment-related services could continue after the person becomes eligible for SSI.

Recommendations

To help individuals with impairments become more self-sufficient and to address the gap in continuous work services between the TANF and SSI programs, we are recommending that SSA, as part of a new demonstration project, work with TANF offices to develop screening tools, assessments, or other data that would identify those TANF recipients with impairments who while potentially eligible for SSI may also be capable of working. Once these recipients have been identified, the TANF offices and SSA could work together to coordinate aggressive medical care and employment-related services that would help the individual obtain employment and achieve or at least increase self-sufficiency.

In order to facilitate and encourage a sharing of information among TANF offices regarding the development of interactions with SSA that might increase self-sufficiency of recipients with impairments, we are recommending that HHS provide space on its Web site to serve as a clearinghouse for information regarding best practices and opportunities for TANF agencies to interact with SSA. This would allow state and county

TANF officials to share information on what they are doing, what works, and how to go about establishing relationships with SSA. It would also provide states and counties with access to the research of federal agencies, state and county offices, and other researchers that they may need in order to develop a strong functional relationship with SSA and help TANF recipients with impairments move toward economic independence. HHS should be able to minimize its work and expense by using its Web site to share this information.

Agency Comments and Our Response

We provided a draft of this report to HHS and SSA for comment. Both agencies generally agreed with our recommendations and indicated that they look forward to working together to help low-income individuals with impairments become more self-sufficient. Specifically, SSA stated that it would be pleased to work with HHS on the planning and design of a demonstration project. Likewise, HHS stated that it would be pleased to have its staff work with SSA to develop a process or criteria for identifying individuals who could benefit from employment services.

In addition, in response to the findings of our report, SSA said it would take immediate measures to ensure that it responds to all requests from TANF offices for training on SSA's programs.

Also in its comments, SSA suggested that we include in our report the fact that states may exempt up to 20 percent of their caseload from the time limits and that many states waive work requirements for persons applying for SSI. In both the draft we sent to SSA and the final version, we included a footnote explaining the time limit exemptions, and in the body of the report we discussed the issue of work requirement exemptions for persons applying for SSI.

HHS' comments appear in appendix II and SSA's comments appear in appendix III. In addition, both HHS and SSA provided technical comments, which we have incorporated as appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution until 30 days after the date of this letter. At that time, we will send copies to the Secretary of HHS, the Commissioner of Social Security, appropriate congressional committees, and other interested parties. The report is also available at no charge on

GAO's Web site at <http://www.gao.gov>. If you have any questions about this report, please contact me or Carol Dawn Petersen on (202) 512-7215. Other staff who made key contributions are listed in appendix IV.



Cynthia M. Fagnoni
Managing Director, Education, Workforce,
and Income Security Issues

Appendix I: Scope and Methods

To determine the extent that Temporary Assistance for Needy Families (TANF) recipients with impairments are encouraged to apply for Supplemental Security Income (SSI), whether work requirements are imposed, the range of services provided during the period of SSI eligibility determination, and the extent that interactions exist between the SSI and TANF programs, we conducted a nationally representative survey of 600 county TANF administrators from October 14, 2003, through February 20, 2004.

For the most part, TANF services are provided at the county level, so we selected a random probability sample of counties for our survey. We derived a nationwide listing of counties from the U.S. Bureau of the Census's county-level file with 2000 census data and yearly population estimates for 2001 and 2002. We selected a total sample of 600 counties out of 3,141 counties. To select this sample, we stratified the counties into two groups. The first group consisted of the 100 counties in the United States with the largest populations, using the 2002 estimates. The second group consisted of the remaining counties in the United States. We included all of the 100 counties with the largest populations in our sample to ensure that areas likely to have large concentrations of TANF recipients were represented. From the second group, consisting of all the remaining counties, we selected a random sample of 500 counties.

After selecting the sample of counties, we used the American Public Human Services Association's *Public Human Services Directory* (2002-2003) to determine the name and address of the TANF administrator for each county. In states with regional TANF programs, we asked the regional director to fill out a questionnaire for each county in the region. We obtained responses from 527 of 600 counties, for an overall response rate of about 88 percent.¹ The responses are weighted to generalize our findings to all county TANF offices nationwide. Sample weights reflect the sample procedure, as well as adjusting for nonresponse.

Because we followed a probability procedure based on random selections, our sample is only one of a large number of samples that we might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results

¹The response rate for the stratum consisting of the 100 counties with the largest populations was 92 percent. The response rate for our sample of the remaining U.S. counties was 87 percent.

at a 95 percent confidence level at an interval of plus or minus 5 percentage points. This is the interval that would contain the actual population value for 95 percent of the samples we could have drawn. In other words, we are 95 percent confident the confidence interval will include the true value of the study population.

In addition to the reported sampling errors, the practical difficulties of conducting any survey may introduce other types of errors, commonly referred to as nonsampling errors. For example, differences in how a particular question is interpreted, the sources of information available to respondents, or the types of people who do not respond can introduce unwanted variability into the survey results. We included steps in both the data collection and data analysis stages for the purpose of mitigating such nonsampling errors.

Appendix II: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

AUG 23 2004

Ms. Cynthia M. Fagoni
Managing Director, Education,
Workforce, and Income Security Issues
United States Government Accountability Office
Washington, D.C. 20548

Dear Ms. Fagoni:

Enclosed are the Department's comments on your draft report entitled, "TANF and SSI – Opportunities Exist to Help People with Impairments Become More Self-Sufficient" (GAO-04-878). The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department provided several technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Morris".

Lewis Morris
Chief Counsel to the Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for Government Accountability Office reports. OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

**COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
(HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO'S)
DRAFT REPORT ENTITLED "TANF AND SSI—OPPORTUNITIES EXIST TO
HELP PEOPLE WITH IMPAIRMENTS BECOME MORE SELF-SUFFICIENT"
(GAO-04-878)**

General Comments

HHS appreciates the opportunity to comment on GAO's draft report. HHS is in general agreement with GAO's conclusions and would like to see States establishing closer relationships with Social Security Administration (SSA) offices in order to improve services for those potentially eligible for Supplemental Security Income (SSI). The Temporary Assistance for Needy Families (TANF) program seeks to help each of its clients achieve the highest degree of self-sufficiency possible. Doing this requires properly assessing both the abilities and limitations of disabled clients and finding, when possible, appropriate work settings and training that can give each client the opportunity to work. When possible, clients who have impairments should not be exempted from work activities but helped to find accommodating settings through which they could provide for their families. At the same time, TANF provides important assistance in helping interested clients apply for SSI.

It is important, however, to appreciate that TANF efforts to promote maximum family self-sufficiency through work while helping some clients apply for SSI are inherently in conflict. Since SSI is intended for clients who cannot provide for themselves through work, participation in accommodating work activities while on TANF can be used as evidence against a client's application for SSI. Therefore, when TANF agencies assess a client as being potentially SSI eligible, efforts at helping such clients pursue work are frequently abandoned.

Opportunities exist for better coordination and collaboration among TANF and SSI offices during the application process and afterwards to help individuals with impairments pursue work training, return to work services, and become more self-sufficient. We would be pleased to have ACF work with SSA to develop a process or criteria for identifying individuals who could benefit from employment services.

GAO Recommendation

To help individuals with impairments become more self-sufficient and to address the gap in continuous work services between the TANF and SSI programs, we are recommending that SSA, as part of a new demonstration project, work with TANF offices to develop screening tools, assessments, or other data that would identify those TANF recipients with impairments who while potentially eligible for SSI may also be capable of working. Once these recipients have been identified, the TANF offices and SSA could work together to coordinate aggressive medical care and employment-

related services that would help the individual obtain employment and achieve or at least increase self-sufficiency.

HHS Comment

While this recommendation is directed to SSA, ACF welcomes the opportunity to work with SSA on developing model screening tools, assessments, or other data that would be useful in matching clients to appropriate work settings.

GAO Recommendation

In order to facilitate and encourage information sharing among TANF offices regarding the development of interactions with SSA that might increase self-sufficiency of recipients with impairments, we are recommending that HHS provide space on its website to serve as a clearinghouse for information regarding best practices and opportunities for TANF agencies to interact concerning SSA. This would allow State and county TANF officials to share information concerns what they are doing, what works, and how to go about establishing relationships with SSA. It would also provide States and counties with access to the research of Federal agencies, State and county offices, and other researchers that they may need in order to develop a strong functional relationship with SSA and help TANF recipients with impairments move toward economic independence. HHS should be able to minimize its work and expense by using its website to share this information.

HHS Comment

ACF's Office of Family Assistance (OFA) website already offers a connection to OFA's Welfare Peer Technical Assistance Network. The network provides peer technical assistance to other agencies and solicits innovative programs and practices under a variety of headings. OFA will explore establishment of a new category of TANF/SSI interaction and solicit information that will be useful.

Based on SSA data which states that up to 25 percent of the SSI caseload ages 18-64 received income assistance based on need (including TANF), the report (see Highlights section and page 2) indicates that there is "overlap" between the SSI and TANF populations. In fact, all States prohibit individuals receiving SSI benefits from simultaneously receiving TANF benefits; thus, what is being described as an "overlap" is a subset of the SSI population who used to receive TANF benefits. It would be helpful to clarify whether the data cited in the report were collected at the time of application for SSI and whether they include benefits received for other family members, as a parent may receive SSI on his/her own behalf and TANF on behalf of his/her children.

The report (see page 12) cites a 2000 report finding little increase in referrals to SSI from TANF in the wake of welfare reforms, but also states, "...the full impact of the welfare reform changes would not be known until the time limit for benefit receipt had elapsed." At this point, recipients in all States have reached the 5-year national time limit; however,

**Appendix II: Comments from the Department
of Health and Human Services**

all States are under the 20 percent limit on extensions, so there is no reason to expect a sharp increase in referrals to SSI.

Appendix III: Comments from the Social Security Administration



SOCIAL SECURITY

The Commissioner

August 17, 2004

Ms. Cynthia M. Fagnoni
Director, Education, Workforce and
Income Security Issues
U.S. Government Accountability Office
Washington, D.C. 20548

Dear Ms. Fagnoni:

Thank you for the opportunity to review and comment on the draft report "Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI): Opportunities Exist to Help People with Impairments Become More Self-Sufficient" (GAO-04-878).

Our response and technical comments to the draft report are enclosed. If your staff has questions about the comments, they may contact Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Sincerely,

A handwritten signature in black ink that reads "Jo Anne B. Barnhart".

Jo Anne B. Barnhart

Enclosure

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT, "TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) AND SUPPLEMENTAL SECURITY INCOME (SSI) OPPORTUNITIES EXIST TO HELP PEOPLE WITH IMPAIRMENTS BECOME MORE SELF-SUFFICIENT" GAO-04-878

We appreciate the opportunity to comment on the draft report. We are concerned to discover from the report that one-fourth of the TANF offices that responded to GAO's survey claimed to be rebuffed when they contacted an SSA Field Office to request training on our programs. We have two positions within the Regional Offices (RO) specifically dedicated to responding to that type of request, Public Affairs Specialists and Area Work Incentive Coordinators. We will ensure that our ROs respond to such requests from TANF offices and enhance communications on TANF nationwide. By improving our communications with TANF offices, we may benefit by seeing some reduction in the number of persons referred who clearly are not disabled under SSA rules.

Additionally, we currently have under development two demonstration projects designed for Title II applicants that should provide valuable lessons to consider in connection with development of a TANF/SSI early intervention project.

To enhance this report, we suggest you include the fact that States can set up waivers for any group on TANF provided they do not waive more than 20 percent of their total recipients. Many States, such as Illinois, waive work requirements and time limits if the person is applying for SSI, or if the State has determined that the person is unable to work due to medical condition, even if his SSI application was denied.

Our response to the specific recommendation and technical comments are below.

Recommendation 1

As part of a new demonstration project, SSA staff should work with TANF offices to identify recipients with impairments capable of working and to coordinate services to help individuals improve self-sufficiency.

Comment

We agree. As noted above, SSA has plans underway for several demonstration projects aimed at assisting individuals with disabilities to achieve self-sufficiency through work. Although we do not currently have plans for a demonstration project involving TANF and SSI, we believe that such a project could benefit both of these groups of individuals. We will be pleased to work with HHS on the planning and design for this proposed project.

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contacts

Carol Dawn Petersen, (202) 512-7215
Michael J. Collins, (202) 512-7215

Staff Acknowledgments

In addition to those named above, David J. Forgosh, Cady Summers, Megan Matselboba, Christopher Moriarity, and Luann Moy made key contributions to this report.

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