

Vocational Rehabilitation Pilot Program Evaluation Briefing

Vocational Technical Stakeholders Group

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Overview

We recommended that the VIP in its entirety be continued on a permanent basis. We also recommended that the subcommittee remain intact in order to continue to monitor progress and make further adjustments as needed, and we gave some suggestions for possible further improvements and study.

We used L&I administrative data, ESD wage data, and conducted two surveys as part of our evaluation.

Survey A (baseline):

- 361 workers determined eligible for plan development referral
- Surveyed prior to Option 1/Option 2 selection
- Focus: baseline differences between those who choose Option 1 versus Option 2

Survey B (follow-up):

- 360 workers with plans approved after 1/1/08
- Surveyed 3-6 months after claim closure
- Focus: use of acquired skills, employment outcomes, and satisfaction

It was difficult or impossible to determine the effects of each change individually because the VIP changes were implemented simultaneously and there was no available concurrent comparison group. However, we saw no evidence that any particular aspect of the VIP was overwhelmingly negative, and we did observe many indications of positive change. For example:

- There were early indications of beneficial employment outcomes (ESD data) related to the WorkSource feature of the pilot (referrals to L&I staff based at WorkSource locations). Workers also expressed an interest in and satisfaction with the services that WorkSource offers. (Survey B)
- There were significant reductions in inefficient and costly repeat plan development and plan implementation referrals. (L&I data)
- Due to the new timelines and accountability features of the VIP, there were significant reductions in potentially costly delays at several key points in the process. (L&I data)
- Based on preliminary estimates, the Option 2 workers that made use of the Option 2 retraining funds, while small in number, appeared to have the best employment outcomes of any group analyzed. (L&I and ESD data)
- In general, employment outcomes were not worse for the subset of workers that completed retraining under the VIP compared with pre-pilot workers, even though the pilot was implemented in the midst of a severe economic recession. (ESD data)

Opportunities for Improvement

The VIP and related VRC efforts were successful in producing greater efficiencies, but several opportunities for improvement were also noted. VRCs may be able to positively influence these areas:

- **OJT plans**

- OJT plans were associated with remarkably better employment outcomes. (ESD data)
- OJT plans decreased from 9.8% at baseline to 2.7% under the VIP. (L&I data)
- Are there barriers to developing OJT plans that can be mitigated?

- **Plan length**

- There was no evidence that longer plans were associated with better employment outcomes, with the possible exception of higher mean wages for longer plans. (ESD data)
- Are there pressures to develop longer plans even when the worker may not be well-suited to academic retraining?

- **Worker engagement**

- In general, workers heading into retraining plan development were likely to overestimate their likelihood of future RTW after retraining and were more satisfied with the vocational rehabilitation system at that time than they were after vocational rehabilitation services had ended. (Survey A and Survey B)
- The two most frequently suggested improvements to the vocational rehabilitation system were: (1) that there be more training choices, more worker input into the retraining goal, and/or a better fit of the retraining goal with the workers' experience and abilities (suggested by 25% overall, and more than 36% of Option 2 workers), and (2) that various players listen to, respect, and/or understand the worker (e.g., their interests, goals, and limitations) (suggested by 17% overall, and more than 27% of Option 2 workers). (Survey B)
- The most frequent primary reason given for choosing Option 2 was being physically or emotionally incapable of Option 1 (27%). Pooling the top 3 reasons given, 57% of Option 2 workers stated that their retraining plan would have been a poor fit for them, either physically, emotionally, logistically, or in terms of their own interests. (Survey B)
- What are the barriers to developing a plan well-suited to workers' individual needs and goals?

- **Plan completion rates have not changed under the VIP**

- Among those choosing Option 1 who did not complete their retraining plan, the most frequently reported primary reason for non-completion was that the worker was unsuccessful in training or training was too hard (38%). The second most frequent reason was that the worker could not physically continue training (26%). (Survey B)
- Fully a third of those with incomplete plans said they would choose Option 2 if given the chance to do things over. (Survey B)
- Do workers receive adequate decision support for choosing between Option 1 and Option 2, and for assessing their own capacity for plan completion?

- **Option 2 retraining fund use**

- Those who do use option 2 funds appear more likely to RTW than those who don't. (ESD data)
- There was a large disconnect between the 64% stating shortly after claim closure that they would use retraining funds (Survey B), and the 21% who actually used funds (measured up to 3 years later using L&I administrative data).
- Are workers being realistic about their potential use of retraining funds when they weigh the 2 options? There may be long-term implications for their ability to RTW.
- Are there any barriers to thorough explanation of the two options by VRCs?
- Are there any barriers to use of retraining funds that can be addressed by VRCs or L&I?
- Do workers receive adequate decision support for considering the long-term implications of their option choice on their life and RTW prospects?

Summary of Key Evaluation Findings

Program Components	Measures & Effect
WorkSource	<ul style="list-style-type: none"> • RTW for WorkSource EI referrals vs private VRCs ↑ • RTW for WorkSource AWA referrals vs private VRCs ~
Efficiency	<ul style="list-style-type: none"> • Repeat AWA referrals ↑ • Repeat PD referrals ↑ • Repeat PI referrals ↑ • Time for plan submission to L&I ↑ • Time for plan approval by L&I ↑ • Time from plan development referral to retraining ↑ • Percent of plans completed ~ • Time from plan completion to claim closure ↑
Training strategy	<ul style="list-style-type: none"> • Percent OTJ vs formal retraining (VIP vs pre-pilot) ↓ • RTW for formal retraining plan (vs OTJ plans) ↓ • Plan completion for longer plans ~ • RTW for longer plans (>1 year vs ≤1 year) ~ • Mean RTW wage for longer plans ~
Labor market demand	<ul style="list-style-type: none"> • RTW for high demand plans vs others ~
Option choice	<ul style="list-style-type: none"> • Worker satisfaction (Option 2 vs Option 1) ~ • RTW for Option 2 vs Option 1 ~
VIP outcomes*	<ul style="list-style-type: none"> • RTW for completed plans only (VIP vs pre-pilot) ~ • RTW for all plans (VIP vs pre-pilot) ↓

*Although we controlled for unemployment rate, it is unclear how much of the reduction in RTW was due to the economic recession rather than the VIP.

Notes: An upward (vs. downward) arrow indicates a statistically significant benefit or improvement. In some cases the arrows represent a summary of related findings, not all of which may have the same direction of effect or statistical significance. A tilde (~) indicates mixed findings or no statistically significant difference.

Supplemental Data (for optional discussion)

Plan type and length

We compared employment outcomes for workers who had completed OJT plans to those who had completed formal retraining plans. We also compared employment outcomes for workers who had completed plans longer than 1 year to those who had completed shorter plans. Although there were few OJT plans, OJT was strongly associated with better employment outcomes using all four RTW measures.

Exhibit 3.9 Training strategy employment outcome models (ESD data)

	Timely RTW (any wages in quarter that referral ended)	Sustained RTW (any wage level)	Sustained RTW (at or above pre-injury wage)	Ever RTW (first occurrence of any wages)
	Odds ratio	Incidence Rate Ratio	Incidence Rate Ratio	Hazard Ratio
OJT	6.99*	1.89*	3.23*	1.97*
Plans > 1 year	0.41*	0.86	0.66	0.88

*Statistically significant at $p \leq .05$.

Notes: Roughly speaking, a number above 1 means a higher likelihood of the RTW measure for OJT or longer plans relative to formal retraining or shorter plans. These models have been adjusted for a number of relevant factors as described in the Methods chapter.

In contrast, there was no evidence that longer plans were associated with better RTW outcomes. In fact, timely RTW was significantly less likely for plans lasting 1-2 years compared with plans of 1 year or less. However, based on the results of Survey B, approved plan length was not significantly associated with differences in the percentage of workers who were satisfied with the vocational rehabilitation system, or who felt vocational services were appropriate for them.

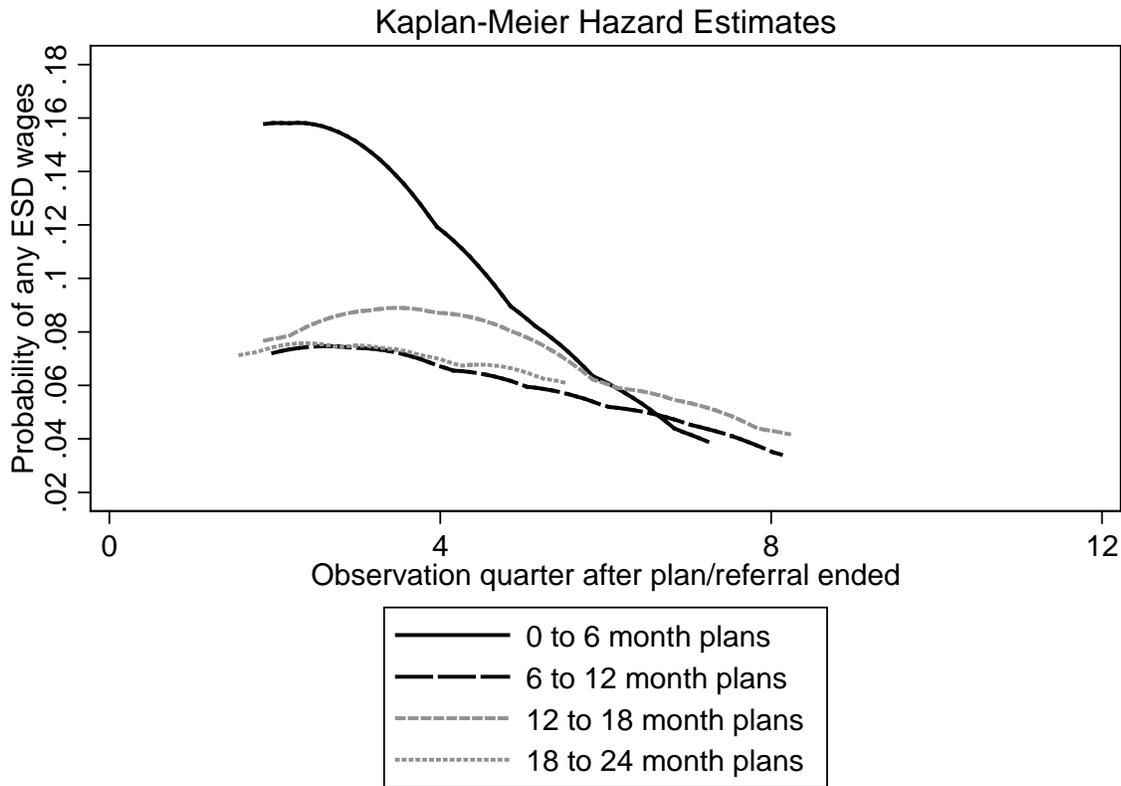
To further investigate, we looked at RTW patterns for four plan length subgroups. Exhibit 3.10 presents the number of completed plans approved in 2008 in each of the four subgroups.

Exhibit 3.10 Distribution of approved plan length (for 2008 plans completed by 12/31/2011)

Approved plan length in months	N	Percent
0-6	50	8.7
>6-12	82	14.2
>12-18	69	11.9
>18-24	377	65.2
Total	578	100.0

Exhibit 3.11 shows the estimated probability of the first occurrence of any ESD wages at various points in time for each of 4 plan length subgroups. It is clear from this figure that it was the shortest plans (0 to 6 months) that were driving the observed difference in timely return to work between longer and shorter plans. The RTW patterns for the other 3 plan length groups appear very similar.

Exhibit 3.11 Probability of first occurrence of any ESD wages over time by plan length category (for 2008 plans completed by 12/31/2011)



Mean wages by plan length

One expected outcome of the increased retraining duration and cost limits was that workers would be able to obtain higher wage jobs. To assess the potential for success in this area, we compared average adjusted quarterly wages for the year after first RTW for those who completed retraining plans lasting longer than one year to those completing shorter plans (just among the 163 workers who did return to work and for whom we had at least a year of ESD data available). **Although the difference was not statistically significant, adjusted quarterly wages were an estimated \$900 higher for longer plans (95% CI: - \$508, \$2,307).** Until more data accumulates, we cannot say whether the lack of statistical significance was due to high cost variation relative to the low number of workers having enough follow-up time to be included in this analysis thus far, or whether the observed difference was due to chance.

Use of Option 2 Retraining Funds

In Survey B we asked Option 2 workers about their use and planned use of retraining funds (N=115).

Exhibit 3.24 Use and planned use of retraining funds (based on Survey B)

Response category	Percent
Already using Option 2 retraining funds	20.5%
Plans to use funds within 6 months	15.4%
Plans to use funds in 6 to 12 months	14.3%
Plans to use funds in 1 to 2 years	10.0%
Plans to use funds in more than 2 years	3.6%
Unsure if or when will use funds	26.5%
Does not plan to use retraining funds	9.7%

As shown in Exhibit 3.25 (based on administrative data), there appears to be very little increase in retraining fund use after the first 6 months, with use remaining about 20% even for those claims closed for at least 3 years. **Although most Option 2 workers responding to Survey B intended to use their retraining funds at some point, it appears that workers who did not begin to use their funds within the first 6 months after claim closure were very unlikely to ever use them.** There has not been enough time since the VIP began to assess whether there may be an increase in fund use right before the funds expire. It appears that workers may be overly optimistic about their actual use of retraining funds (and perhaps also the benefit they expect to derive from Option 2 as a result).

Younger workers, English-speaking workers, and workers with at least some college education were more likely to use their retraining funds. It is noteworthy that the workers least likely to use retraining funds were more likely to have characteristics that may make them less competitive in the labor market without (or perhaps even with) retraining.

Exhibit 3.25 Use of retraining funds (based on administrative data)

Sample	N	No funds expended	Funds partially expended	Funds 100% expended
		Percent	Percent	Percent
All option 2 workers with option 2 funds reserved	1,461	83.5	15.3	1.2
Claims closed on or before 12/31/11	1,376	82.6	16.1	1.3
Claims closed at least 6 months prior to 12/31/11	1,139	81.0	17.7	1.4
Claims closed at least 1 year prior to 12/31/11	902	80.9	17.6	1.4
Claims closed at least 2 years prior to 12/31/11	556	80.4	18.0	1.6
Claims closed at least 3 years prior to 12/31/11	240	79.2	18.3	2.5

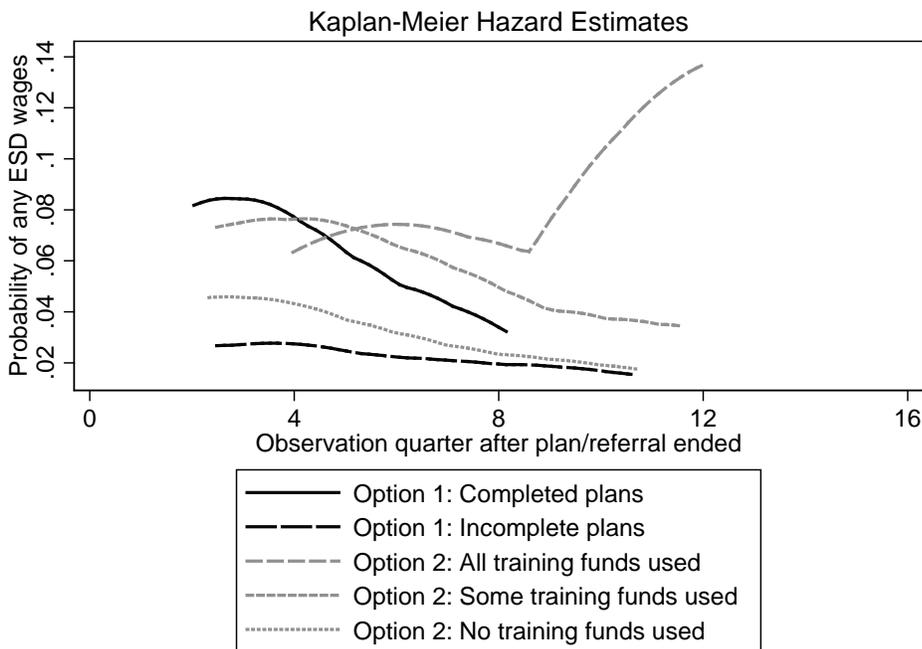
Employment outcomes by option choice and retraining fund use

Exhibit 3.29 Option choice subgroups (plan completion and use of retraining funds)

Subgroup	N	Percent
Option 1: Completed plans	1,209	32.4
Option 1: Incomplete plans	1,059	28.4
Option 2: All retraining funds used	18	0.5
Option 2: Some retraining funds used	223	6.0
Option 2: No retraining funds used	1,220	32.7
Total	3,729	100.0

Exhibit 3.30 presents the estimated probability of the first occurrence of any ESD wages separately for each of these five subgroups. **Option 1 workers with incomplete plans had the lowest probability of return to work.** Although there were very few workers who had used all of their retraining funds, that subgroup displayed a strikingly different pattern. Instead of a steadily decreasing probability of first return to work over time, there appeared to be a “bounce” beginning just over 2 years after Option 2 choice, which may correspond to completion of their independent retraining (this is speculative).

Exhibit 3.30 Probability of first occurrence of any ESD wages over time by option subgroup



Mean wages by option subgroup

We estimated mean RTW wages for each of these five subgroups. Although there have been far too few Option 2 workers who have used all their retraining funds to be able to make any definitive judgment, only that subgroup appeared to have higher mean wages than Option 1 workers who had completed retraining plans (the difference was not significant). Mean wages for the Option 2 subgroups who had returned to work and who had used (1) none or (2) only some of their retraining funds were both significantly lower than for those with completed Option 1 plans. (It is possible that those using only some of their retraining funds were working part-time related to still being in training; it is more appropriate to compare mean wages when all retraining, or at least all the retraining that will occur, has been completed.)

Worker Satisfaction

We compared satisfaction with the vocational rehabilitation system before beginning retraining plan development (Survey A) with after claim closure (Survey B). In general, workers going into retraining plan development were more satisfied with the vocational rehabilitation system overall than they were after vocational rehabilitation services had ended (Exhibit 3.35). In addition, 55% of workers going into plan development were certain or somewhat certain they would return to work within 6 months of claim closure; however, only 21% of workers actually returned to work within 3-6 months of claim closure.

Exhibit 3.35a Satisfaction with the vocational rehabilitation system before retraining (Survey A)

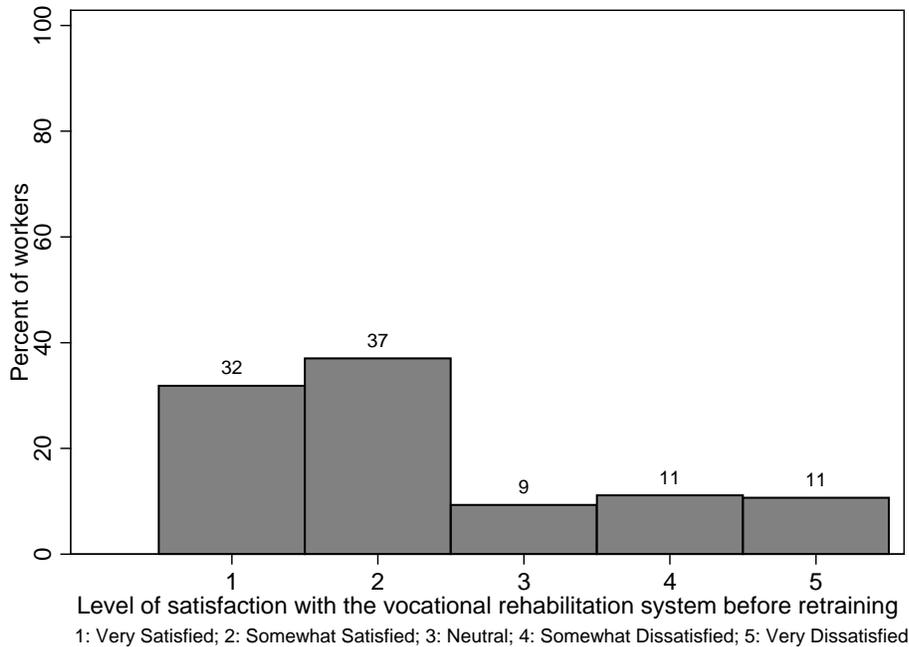


Exhibit 3.35b Satisfaction with the vocational rehabilitation system after claim closure (Survey B)

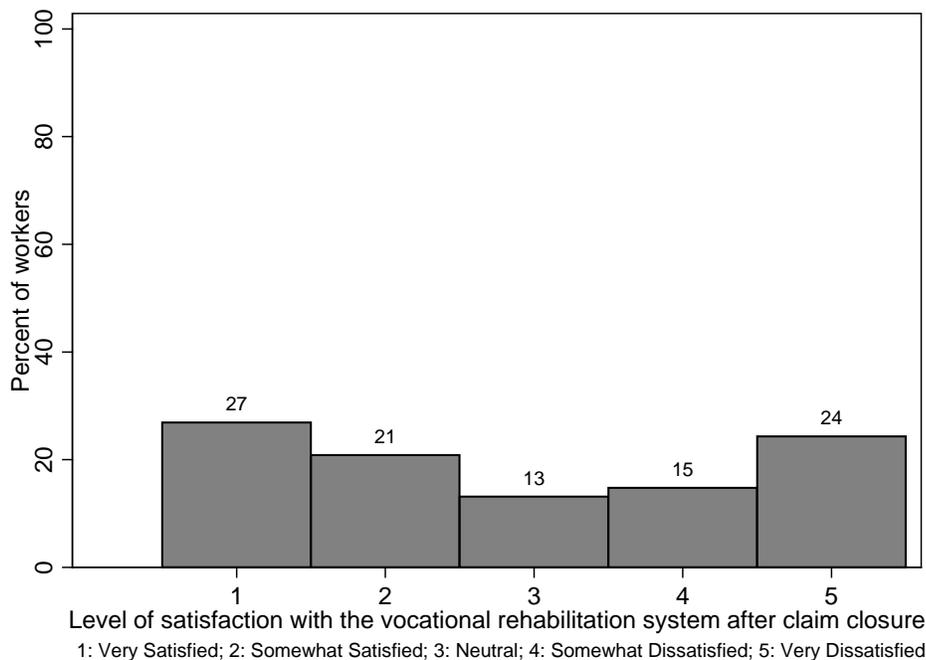
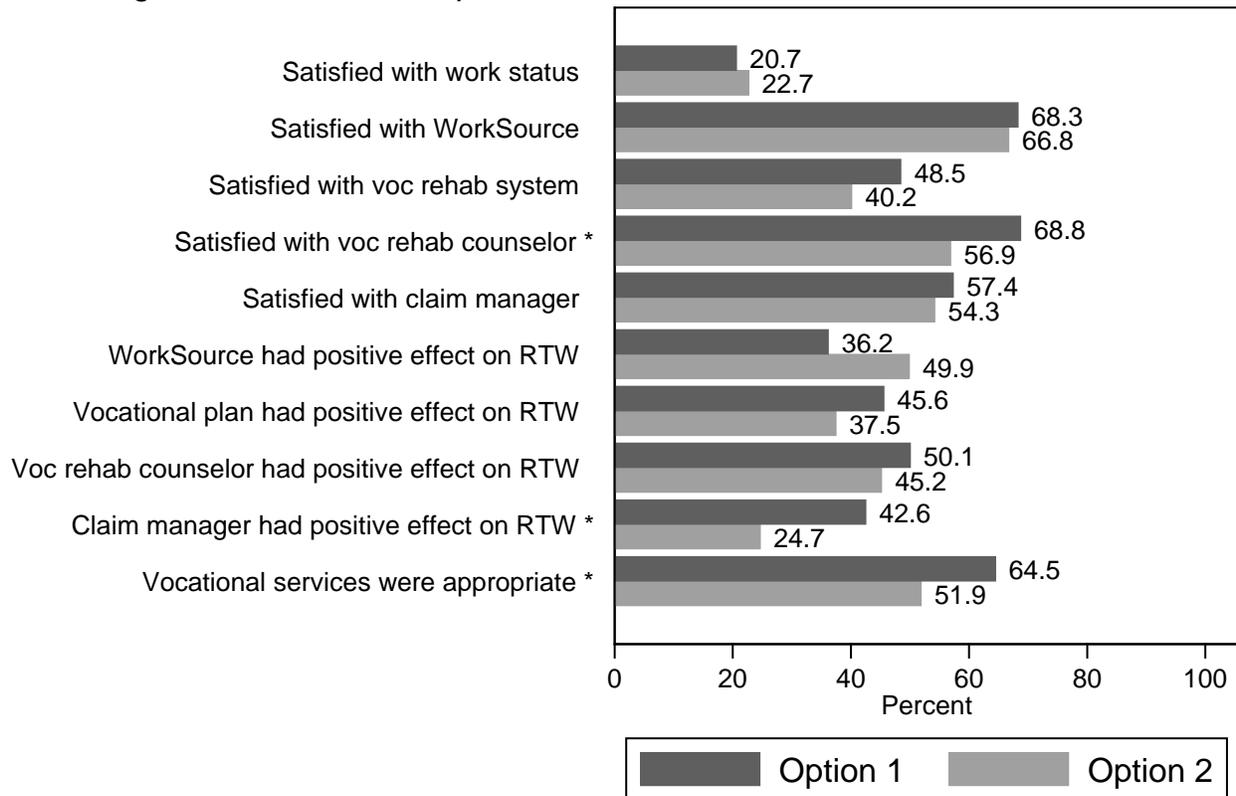


Exhibit 3.37 Worker satisfaction with various aspects of the vocational rehabilitation system by option choice (Survey B)

Percentage of Workers that Reported:



*Option 1/Option 2 difference was statistically significant at P<.05