

The Ticket to Work and Self-Sufficiency Program and Established Under the Ticket to Work and Work Incentives Improvement Act of 1999.

Introduction

On December 17, 1999 President Clinton signed into law the historic Ticket to Work and Work Incentives Improvement Act of 1999 [Public Law 106-170; the Act].

The Act has four purposes [Section 2(b) of the Act]:

- To provide health care and employment preparation and placement services to individuals with disabilities that will enable those individuals to reduce their dependency on cash benefit programs.
- To encourage states to adopt the option of allowing individuals with disabilities to purchase Medicaid coverage that is necessary to enable such individuals to maintain employment.
- To provide individuals with disabilities the option of maintaining Medicare coverage while working.
- To establish a return to work ticket program that will allow individuals with disabilities to seek the services necessary to obtain and retain employment and reduce their dependency on cash benefit programs.

The purpose of this policy brief is to describe the major provisions in Title I of the Act, which creates the Ticket to Work and Self-Sufficiency Program (the Program). A separate issue brief describes the provisions in the legislation related to the other purposes of the Act.

The policy brief describes the following subjects:

- Work-related programs in existence under the Social Security Act prior to the passage of the Ticket to Work and Work Incentives Improvement Act of 1999
- Changes to programs in existence prior to the passage of the Ticket to Work and Work Incentives Improvement Act of 1999
- Overview of the new Ticket to Work and Self-Sufficiency Program
- The role of state VR agencies
- The role of program managers
- The role of employment networks
- Individual work plans and scope of services
- Payments systems
- Suspension of continuing disability reviews
- Evaluation
- Advisory Panel

Work-Related Programs in Existence under the Social Security Act Prior to the Passage of the Ticket to Work and Work Incentives Improvement Act of 1999

Under the Social Security Act (prior to the enactment of the Ticket to Work and Work Incentives Improvement Act of 1999) two programs assist specified individuals obtain and retain employment. These specified individuals are individuals receiving assistance under title II of the Social Security Act (hereinafter for purposes of this policy brief referred to as Social Security Disability Insurance (SSDI)) and under Title XVI of the Social Security Act (Supplemental Security Income (SSI)).

Under the first program, the Commissioner of the Social Security Administration (Commissioner) is required to **promptly refer** to state vocational rehabilitation agencies (state VR agencies) specified individuals applying for SSDI or SSI benefits for necessary vocational rehabilitation services. These state VR agencies are established in each state under Title I of the Rehabilitation Act of 1973, as most recently amended by Title IV of the Workforce Investment Act of 1998 (P.L. 105-220). A state VR agency is reimbursed for the costs of vocational rehabilitation services provided to SSDI and SSI beneficiaries with a single payment after the beneficiary performs "substantial gainful activity" (i.e., has earnings in excess of \$700 per month) for a continuous period of at least nine months. [Sections 222(a) and (d) and sections 1615(d) and (e) of the Social Security Act]

The Social Security Administration (SSA) also has established an "alternative provider program" under which private and other public agencies are eligible to receive reimbursement from SSA for providing VR and related services to SSDI and SSI beneficiaries. To participate in the alternative participant program, a beneficiary must first be referred to, and declined by, a state VR agency. These private and public agencies are reimbursed according to the same procedures as state VR agencies. [20 CFR 404.2104(F); 404.2106]

The Commissioner is authorized to impose sanctions (i.e., deduct or terminate SSDI or SSI benefits) with respect to an individual who refuses without good cause to accept rehabilitation services available under title I of the Rehabilitation Act.

Changes to Programs in Existence Prior to the Passage of the Ticket to Work and Work Incentives Improvement Act of 1999

The Act makes several changes to programs in existence prior to the passage of the Act. First, the provisions sanctioning SSDI and SSI beneficiaries for failure to accept rehabilitation services is repealed. [Section 101(b)(1)(B) and Section 101(b)(2)(B) of the Act]

Second, the provision requiring prompt referral of specified disabled individuals under the SSDI and SSI programs to state VR agencies is repealed. [Section 101(b)(1)(C) and Section 101(b)(2)(A) of the Act].

Overview of the New Ticket to Work and Self-Sufficiency Program

Title I of the Ticket to Work and Work Incentives Improvement Act of 1999 creates a new program called the Ticket to Work and Self-Sufficiency Program. [Section 1148 of the Social Security Act] This new Program supplements the existing programs (as modified); it does not replace them. The Program must be **phased into operation** at sites selected by the Commissioner beginning no later than one year after the date of enactment of this Act. The program must be **fully implemented** as soon as practicable on or after the effective date of the Act (i.e., one year after the date of enactment), but not later than four years after the date of enactment of this Act. [Section 101(c) and 101(d) of the Act]

The new Program establishes an **entitlement** to a “ticket to work and self-sufficiency” (a **ticket**) for every individual who meets eligibility criteria established by the Commissioner. In other words, funds from the Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the general fund of the Treasury **must** be appropriated to pay for a **ticket** to every specified SSDI and disabled SSI beneficiary who wants to participate in the Program. [Section 1148(j) of the Social Security Act] This entitlement goes into effect once the program is fully implemented in a state.

The Commissioner is expected to enter into agreements with program managers who are to assist the Commissioner in administering this new program. [Section 1148(d)(1) and Section 1148(e) of the Social Security Act]

The ticket may be used to obtain vocational rehabilitation, employment services, and other support services. (Section 1148(a) of the Social Security Act] The disabled beneficiary holding a ticket may assign the ticket to any **employment network** (i.e., service provider) of their choice that is willing to accept the assignment. [Section 1148(b) and Section 1148(f) of the Social Security Act] The employment network must ensure that services provided under the Program are provided under appropriate **individual work plans** developed and implemented in partnership with each beneficiary receiving such services. [Section 1148(g) of the Social Security Act]

The Commissioner pays the employment network in accordance with either the **outcome payment system** or the **outcome-milestone payment system**. An employment network may not request or receive compensation for such services from the beneficiary. [Section 1148(b)(4) and Section 1148(h) of the Social Security Act]

The Commissioner is also expected to **evaluate** the cost-effectiveness and outcomes of the program [Section 101(d)(4) of the Act]

During any period for which an individual is using a ticket, the Commissioner (and the applicable state agency) may **not initiate a continuing disability** review or other review of

whether an individual is or is not under a disability under the SSDI or SSI program. [Section 1148(i) of the Social Security Act]

The legislation also establishes **The Ticket to Work and Work Incentives Advisory Panel** within the Social Security Administration. [Section 101(f) of the Act]

The Role of State VR Agencies

Each state VR agency may elect to participate in the Program as an employment network with respect to a disabled beneficiary. If the state VR agency elects to participate in the Program, it must also elect to be paid under either the outcome payment system or the outcome-milestone payment system. The services provided by state VR agencies under the Program are governed by state plans for vocational rehabilitation approved under title I of the Rehabilitation Act. With respect to a disabled beneficiary that the state VR agency does not elect to participate in the Program, the state VR agency will be paid under the program authorized under the SSDI and SSI program in existence prior to passage of this Act. [Section 1148(c) of the Social Security Act]

In the case of any state in which the new Program is not fully implemented, the Commissioner must determine by regulation the extent to which the requirement for “prompt referral” to the state VR agency shall apply in the state (recall that the “prompt referral” provision under the SSDI and SSI programs was repealed by this Act). The Commissioner must also determine by regulation the extent to which the authority of the Commissioner to provide vocational rehabilitation services in such state by agreement or other arrangement with other public or private agencies or organizations shall apply in such state. [Section 101(d)(5) of the Act]

The Role of Program Managers

In order to assist the Commissioner in administering the Program, the Commissioner must enter into agreements with one or more organizations in the private or public sector for service as a program manager. Program managers must be selected by means of a competitive bidding process from among organizations in the private or public sector with expertise and experience in the field of vocational rehabilitation or employment services. Agreements between the Commissioner and program managers must include performance standards, including measures of access of beneficiaries to services. Program managers are precluded from providing services in their own service area. [Section 1148(d)(1), (2), and (3) of the Social Security Act]

Responsibilities of program managers include [Section 1148(e) of the Social Security Act]:

- Recruiting and recommending for selection by the Commissioner a sufficient number of employment networks (with no numerical limits on the number of employment networks recommended).
- Monitoring employment networks to ensure adequate choices of services are made available to beneficiaries.

- Facilitating access by beneficiaries to employment networks (allowing changes in employment networks and determinations of the allocation of payments among the employment networks).
- Ensuring that all information is provided in an accessible format.

The Role of Employment Networks

Each employment network serving under the Program must consist of an agency or instrumentality of a state or a private entity that assumes responsibility for the coordination and delivery of services under the program to individuals assigning tickets to the employment network. [Section 1148(f)(1) of the Social Security Act]

An employment network may consist of either a single provider of services or of an association of providers. Services may be provided directly or through contract or other arrangement with other individuals or entities. [Section 1148(f)(1)(D) of the Social Security Act]

An employment network may include a state VR agency (see above). [Section 1148(d)(4) of the Social Security Act]. Employment networks may also consist of a One-Stop delivery system established under title I of the Workforce Investment Act [Section 1148(f)(1)(B) of the Social Security Act]

State VR agencies and employment networks must enter into agreements regarding the conditions under which services will be provided when an individual is referred by an employment network to a state VR agency for services. The Commissioner, by regulation, must establish mechanisms for dispute resolution between these state agencies and employment networks with respect to such agreements. [Section 1148(c)(3) of the Social Security Act]

Employment networks must meet and maintain compliance with general selection criteria (e.g., professional and educational qualifications) and specific selection criteria (e.g., demonstrate specific expertise and experience in providing relevant employment services and supports). [Section 1148(f)(1)(C) of the Social Security Act] In states where the Program is being implemented, the Commissioner must enter into an agreement with any alternative participant that chooses to serve as an employment network under the Program. [Section 1148(d)(4)(B) of the Social Security Act]

Employment networks must also agree to serve a prescribed service area and ensure that services provided under the Program are provided under an appropriate individual work plan. [Section 1148(f)(1)(D) of the Social Security Act]

The Commissioner is responsible for selecting and entering into agreements with employment networks. The Commissioner must also provide periodic quality assurance reviews of employment networks and establish a method of resolving disputes between employment networks and beneficiaries. The Commissioner must solicit and consider the views of consumers and program managers and consult with providers of services to develop performance measurements. The Commissioner must ensure that the periodic surveys of

beneficiaries receiving services under the Program are designed to measure consumer satisfaction. [Section 1148(d)(4), (5), (6), and (7) of the Social Security Act]

Employment networks must meet financial reporting requirements prescribed by the Commissioner and prepare periodic outcome performance reports that must be provided to beneficiaries holding a ticket and made available to the public. [Section 1148(f)(4) of the Social Security Act]

Individual Work Plans and Scope of Services

Employment networks must ensure that services provided under the Program are provided in accordance with appropriate individual work plans. Each individual work plan must be developed and implemented in partnership with each beneficiary in a manner that affords such beneficiary the opportunity to exercise informed choice in selecting an employment goal and specific services needed to achieve that employment goal. [Section 1148(g)(1)(A) and (B) of the Social Security Act]

Each individual work plan must include a statement of:

- The vocational goal, including goals for earnings and job advancement
- The services and supports deemed necessary to accomplish the goals
- The terms and conditions related to the provision of services and supports; and
- An understanding regarding the beneficiaries rights and remedies available to the individual, including information on the availability of advocacy services and assistance. [Section 1148(g)(1)(C) of the Social Security Act]

The individual work plan must be available in an accessible format chosen by the beneficiary. [Section 1148(g)(1)(E) of the Social Security Act] An individual work plan takes effect on written approval by the beneficiary or a representative of the beneficiary and a representative of the employment network. [Section 1148(g)(2) of the Social Security Act]

Each employment network must also provide a beneficiary with the opportunity to amend the individual work plan if a change in circumstances necessitates a change in the plan. [Section 1148(g)(1)(D) of the Social Security Act]

Services provided under the Program may include [Section 1148(e)(5) of the Social Security Act]:

Case management, Work incentive planning, Supported employment, Career planning, Career plan development, Vocational assessment, job training, placement, follow-up services, and such other services as may be specified by the Commissioner under the Program.

Payment Systems

The Act authorizes payment by the Commissioner to employment networks for outcomes and long-term results through one of two payment systems. [Section 1148(h) of the Social Security Act] Each payment system is designed to encourage

maximum participation by providers to serve beneficiaries. An employment network may not request or receive compensation for such services from the beneficiary. [Section 1148(b) (4) of the Social Security Act]

The outcome payment system provides payment to employment networks up to 40% of the average monthly disability benefit payable for all beneficiaries for each month benefits are not payable to the beneficiary due to work, not to exceed 60 months. [Section 1148(h) (2) of the Social Security Act]

The outcome-milestone payment system is similar to the outcome payment system, except it provides for early payment(s) based on the achievement of one or more milestones directed towards the goal of permanent employment. To ensure the cost-effectiveness of the Program, the total amount payable to a service provider under the outcome-milestone payment system must be less than the total amount that would have been payable under the outcome payment system. [Section 1148(h) (3) of the Social Security Act]

Each employment network must elect which payment system will be utilized and for such period as the election remains in effect; it shall be used exclusively by such network. [Section 1148(h) (1) of the Social Security Act] If an employment network elects to change the payment system, the change is not effective for any beneficiary for whom services are being provided at the time of the election to change the payment system; the method of payment previously selected continues to apply with respect to such services. [Section 1148(h) (1) (B)]

The Commissioner is required to periodically review both payment systems and may alter the percentages, milestones, or payment periods to ensure that employment networks have adequate incentives to assist beneficiaries in entering the workforce. In addition, within 3 years for the date of enactment of the Act, the Commissioner is required to submit a report to Congress with recommendations for methods to adjust payment rates to ensure adequate incentives for the provision of services to individuals with special needs e.g., individuals with a need for ongoing supports and services, individuals with a need for high-cost accommodations, individuals who earn a subminimum wage, and individuals who work and receive partial cash assistance. [Section 1148(h) (5) of the Social Security Act]

Suspension of Disability Reviews

During any period for which an individual is using a ticket, the Commissioner (and any applicable state agency) may not initiate a continuing disability review or other review of whether the individual is or is not under a disability for purposes of the SSDI and SSI program. [Section 1148 (i) of the Social Security Act]

Evaluation

The Commissioner is required to design and conduct a series of evaluations to assess the cost-effectiveness and outcomes of the Program. The Commissioner is required to periodically provide to the Congress a detailed report of the program's success, and any modifications needed. [Section 101(d) (4) of the Act]

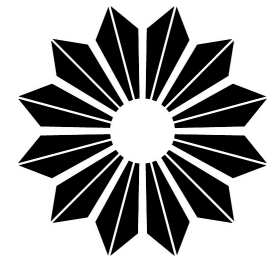
Advisory Panel

The Act establishes a Ticket to Work and Work Incentives Advisory Panel. The panel must consist of 12 members with experience or expert knowledge as a recipient, provider, employer or employee in the fields of, or related to, employment services, vocational rehabilitation services, and other support services. At least one-half of the members must be individuals with disabilities or representatives of individuals with disabilities, with consideration given to current or former SSDI or SSI beneficiaries. [Section 101(f) (3) the Act]

The Panel is to advise the Commissioner and report to the Congress on the implementation of the Ticket to Work and Self-sufficiency Program, including such issues as the establishment of pilot sites, refinements to the program, and the design of program evaluations. In addition, the Panel is to advise the President, the Congress and the Commissioner on issues related to work incentives programs, planning, and assistance for individuals with disabilities, including work incentive provisions under the SSDI, SSI, Medicare and Medicaid programs. Further the Panel is to advise the Commissioner regarding the most effective designs for research and demonstration projects providing for reductions in disability insurance benefits based on earnings. [Section 101(f) (2) of the Act]



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