

**FOURTH IN A SERIES ON SOCIAL SECURITY DIS-
ABILITY PROGRAMS' CHALLENGES AND OPPOR-
TUNITIES**

HEARING
BEFORE THE
SUBCOMMITTEE ON SOCIAL SECURITY
OF THE
COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

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**FOURTH IN A SERIES ON SOCIAL SECURITY
DISABILITY PROGRAMS' CHALLENGES AND
OPPORTUNITIES**

THURSDAY, SEPTEMBER 26, 2002

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON SOCIAL SECURITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 11:47 a.m., in room B-318 Rayburn House Office Building, Hon. E. Clay Shaw, Jr., (Chairman of the Subcommittee) presiding.
[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY

FOR IMMEDIATE RELEASE
September 19, 2002
No. SS-17

Contact: (202) 225-9263

Shaw Announces Fourth in a Series of Hearings on Social Security Disability Programs' Challenges and Opportunities

Congressman E. Clay Shaw, Jr. (R-FL), Chairman, Subcommittee on Social Security of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing to examine the implementation of the Ticket to Work and Work Incentives Improvement Act (P.L. 106-170). **The hearing will take place on Thursday, September 26, 2002, in room B-318 Rayburn House Office Building, beginning at 11:00 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Subcommittee and for inclusion in the printed record of the hearing.

BACKGROUND:

Over the past year, the Subcommittee has held a series of hearings examining the challenges and opportunities facing Social Security's disability programs. The first of these hearings provided an overview of the issues and options to decrease the processing time of disability decisions. During the second hearing, the Subcommittee examined reasons for delay, complexity, and inconsistency in the disability determination and appeals process, and explored recommendations for change. The third hearing in the series examined how disability is defined and the degree to which the definition addresses the needs of today's workers, beneficiaries, and the intent of the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs.

The Ticket to Work and Work Incentives Improvement Act of 1999, P.L. 106-170, signed into law on December 17, 1999, established the Ticket to Work and Self-Sufficiency Program, expanded the availability of health care coverage, and provided for demonstration projects and studies. The Ticket to Work and Self-Sufficiency program, administered by the Social Security Administration (SSA), provides greater opportunities for SSDI and SSI disability recipients to receive assistance that would help them return to work. As part of the program, individuals receive a "ticket" from the SSA, which they may voluntarily assign to an Employment Network (EN) of their choice. An EN is a public agency or private organization that provides employment services, vocational rehabilitation services, or other support services necessary to achieve a vocational goal. The ENs are paid by the SSA for results, and choose between two payment systems, one based on the individual no longer receiving cash benefits because of work, the other based on attainment of certain vocational milestones.

"Tickets" to beneficiaries are being issued at the State level in three phases, the first began in February 2002, with 13 States. Phase two is expected to begin in late 2002 and the third and final stage is expected early in 2003. Since February, about 2 million tickets have been mailed to beneficiaries, and over 6,400 of these tickets have been assigned to one of the more than 400 ENs that have become part of this

program so far. The SSA has contracted with Maximus, Inc., to act as the Program Manager for the Ticket to Work program. Maximus, Inc., is responsible for the day-to-day administration of the program, recruiting employment networks, ensuring services are available for beneficiaries, and answering questions about the program.

The Ticket to Work and Work Incentives Advisory Panel, which was established to advise the President, the Congress, and the Commissioner of Social Security on issues related to work incentive programs, made a number of recommendations in their Second Annual Report. These recommendations included: the importance of securing necessary resources to inform the public about the ticket program, expanding the pool of individuals who may be eligible for a ticket, ensuring a sufficient number of SSA specialists in SSDI and SSI work incentives are available to assist ticket holders, and a number of other administrative and reimbursement recommendations.

In announcing the hearing, Mr. Shaw stated: “Simply put, the Ticket to Work program is about work. Its aim is to replace barriers with opportunities, so that individuals with disabilities may achieve their goal of working and supporting themselves and their families. We must ensure implementation of this important program proceeds smoothly and addresses the concerns and needs of individuals with disabilities who want to work and organizations that are serving them.”

FOCUS OF THE HEARING:

This hearing will examine the Ticket to Work program’s implementation progress, identify preliminary results, and hear issues of concern, along with potential remedies.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Due to the change in House mail policy, any person or organization wishing to submit a written statement for the printed record of the hearing should send it electronically to hearingclerks.waysandmeans@mail.house.gov, along with a fax copy to (202) 225-2610, by the close of business, Thursday, October 10, 2002. Those filing written statements who wish to have their statements distributed to the press and interested public at the hearing should deliver their 200 copies to the Subcommittee on Social Security in room B-316 Rayburn House Office Building, in an open and searchable package 48 hours before the hearing. The U.S. Capitol Police will refuse sealed-packaged deliveries to all House Office Buildings.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. Due to the change in House mail policy, all statements and any accompanying exhibits for printing must be submitted electronically to hearingclerks.waysandmeans@mail.house.gov, along with a fax copy to (202) 225-2610, in Word Perfect or MS Word format and MUST NOT exceed a total of 10 pages including attachments. Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. Any statements must include a list of all clients, persons, or organizations on whose behalf the witness appears. A supplemental sheet must accompany each statement listing the name, company, address, telephone and fax numbers of each witness.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://waysandmeans.house.gov/>.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call (202) 225-1721 or (202) 226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Chairman SHAW. Good morning. I apologize, but neither Mr. Matsui nor I have any control over the schedule on the Floor, and there were three votes in a row, and that is what took us away from here, but we will move forward as quickly as we can.

As we continue our hearing series examining the challenges and opportunities facing Social Security disability programs, today we turn our focus to the implementation of the Ticket to Work and Work Incentive Improvement Act of 1999.

Originating in this Subcommittee the legislation's goal is to remove barriers and increase incentives for disabled individuals returning or seeking to return to work. These incentives empower beneficiaries with more choices. They can choose the services they want, from whom they want in the public or the private sector. These providers in turn are only paid for their work when their clients get jobs giving them the economic motivation to serve their clients quickly and effectively.

Although it took the Social Security Administration (SSA) 2 years to publish final implementing regulations, the good news is that the beneficiaries in 13 States received their tickets beginning in February of this year. These tickets may be used to obtain vocational rehabilitation (VR), job training and other support services. By next year the program will be available in all 50 States.

So far, of the 2 million tickets mailed, over 7,000 beneficiaries have assigned their tickets to one or more of the 400 service providers or Employment Networks (EN) as referred to in the law, to receive employment services they choose to help them re-enter or enter the work force. While this program is still very young, early results are promising. We will hear today that beneficiaries' interest has overwhelmed service providers and that the number of beneficiaries actually participating in the program has quickly outpaced early estimates.

Welcome news though, not surprising, as it is always the position of this Subcommittee that given the right support individuals with disabilities would choose work, if given the opportunity. Recognized as part of President Bush's Freedom Initiative, this landmark legislation transforms Social Security Disability programs from programs of dependency to programs of opportunity. The ultimate success of the program, however, will depend upon its effective implementation and sound management by the Social Security Administration, supported by key stakeholders. I look forward to the hearing with many of these stakeholders today, and as we examine the Ticket to Work program's implementation progress, preliminary results, along with issues of concern and their potential remedies.

Last week I had the opportunity to visit one of these providers down in Palm Beach, it was by Goodwill Industries, and I was rather impressed with some of the results, the early results that they are getting. There are still some problems. I know Florida does not have the Medicaid continuation which is tremendously important, and it is rather scary if you are disabled, to lose that type of coverage. Mr. Matsui?

Mr. MATSUI. Thank you very much, Mr. Chairman. I appreciate the fact that you are holding this hearing.

I think it is very timely with the 13 States now beginning to implement the Ticket to Work program. I would hope that the witnesses will be thinking, before they come up here, because what we will really want to do is find ways to improve the system. Obviously, as the Chairman has mentioned, there are going to be a lot of stops and starts and a lot of little bumps as we go along the way, because it is a very innovative program, and certainly we want to make sure that at the end of the day this program works and obviously carries out the principles that Mr. Shaw and all of us on this Subcommittee want to happen.

So, we look forward in a very positive way to your comments and observations. So, with that, Mr. Chairman, I will thank you again and look forward to hearing from the witnesses.

I may have a little problem, and I would not want to be presumptuous here, but some of us—there are a lot of briefings going on now about the whole issue of Iraq and we lost 45 minutes because of the three votes. I may have to leave at sometime, and I do want to just express my apologies before I actually do that. Thank you.

Chairman SHAW. Thank you, Bob. We will proceed as quickly as possible through this very busy agenda we have, a large number of witnesses, particularly on the last panel.

Our first witness is Martin Gerry, Deputy Commissioner, Disability and Income Security Programs. Welcome to the Subcommittee. We have your full testimony, as we do of all the witnesses, that will be put into the record, and you may summarize as you see fit.

Mr. GERRY. Thank you, Mr. Chairman.

Chairman SHAW. Thank you, sir.

**STATEMENT OF MARTIN GERRY, DEPUTY COMMISSIONER,
DISABILITY AND INCOME SECURITY PROGRAMS, SOCIAL SECURITY ADMINISTRATION**

Mr. GERRY. First, let me thank you and the Subcommittee for inviting me today to discuss the Social Security Administration's implementation of the Ticket to Work and Self-Sufficiency Program, which is part of the Ticket to Work and Work Incentives Improvement Act 1999 (TTWWIIA).

As you know, the goal of the Ticket Act is to help disabled beneficiaries who want to work by improving employment support chances, providing enhanced work incentives, and lessening beneficiaries' fears about losing health care and income during attempts to work.

I would very much like to express my thanks to you, Mr. Chairman and Mr. Matsui, and to other Members of the Subcommittee

at the outset for your hard work and support in making the Ticket program a reality.

My remarks—and I will try to make them a little briefer than I had otherwise planned—this morning will focus on the Ticket program, the central feature of the Ticket Act, and of course my written statement includes the status of the other work incentives in the Act. I was going to briefly outline the program, but, I will not do that because I know you have a lot of people waiting to testify.

Let me talk about where we are with the program. We believe that the program is off to a good start. As of this month, more than 7,000 beneficiaries have gone to Employment Networks or to the State Vocational Rehabilitation Agencies in the initial 13 States. We expect to see higher numbers of beneficiaries participating as we gain experience and the program matures. We know we have much work to do to make those expectations a reality.

The second phase of the program will begin in November of this year, and during this phase of the program approximately 2.6 million beneficiaries will be eligible to receive tickets in 20 additional States and in the District of Columbia. Then, in 2003, we will release tickets to the approximately 3.3 million beneficiaries in the remaining 17 States and the U.S. territories during the third and final implementation phase, so that by January 2004 we will have fully implemented the Ticket program.

Employment Networks operate under agreements with SSA and can be any qualified State or local government agency, or a private entity that assumes responsibility for the coordination and delivery of services under the Ticket program. An EN may be a one-stop delivery system established under the Workforce Investment Act of 1998, a State Vocational Rehabilitation Agency, a single provider of services, or a group of providers organized to combine their resources into a single entity.

The ENs are already setting up client interviews and are beginning to provide services to beneficiaries in the 13 initial States. We believe that these activities have increased demand for their services. That itself has had a positive impact on demand.

The beneficiary bears none of the cost of employment, vocational or other support services. It is the Agency that pays an EN that provides services to a beneficiary. An EN can elect to receive payments under one of two systems. Under the Outcome Payment System, an EN will be paid for each month up to 60 months in which a beneficiary that it is serving does not receive cash benefits due to worker earnings. In the other payment system, the outcome-milestone payment system, an EN will receive payments when a beneficiary it is serving achieves one or more milestones toward self-supporting employment. The EN will also receive reduced outcome payments for each month up to 60 months that a beneficiary does not receive cash benefits due to worker earnings. The Agency has provided up to four milestones for which an EN can be paid. We have begun receiving and processing the first requests for milestone and outcome payments from the ENs. The first milestone payment was made during May 2002.

The Ticket Act also calls for the Commissioner to enter into an agreement with a program manager to assist the Agency in admin-

istering the Ticket to Work Program. MAXIMUS, Inc., is that program manager. Among MAXIMUS's duties are recruiting, recommending and monitoring the EN selected by SSA to provide services, facilitating beneficiary access to the ENs, facilitating payment to the ENs and resolving disputes between beneficiaries and ENs under the program. I am pleased to note that the ENs and beneficiaries appear to be satisfied with the level of service provided by MAXIMUS.

I would like to briefly mention that SSA piloted the Employment Support Representative position from July 2000 to September 2001. As you know, SSA is required by the Ticket Act to provide beneficiaries with employment support information and services. We have made no decisions as yet as how to best provide those services.

Finally, I want to thank you, Mr. Chairman, Mr. Matsui, and all the Members of the Subcommittee for showing continued dedication to the Ticket program. I look forward to working with you to successfully implement it.

[The prepared statement of Mr. Gerry follows:]

Statement of Martin Gerry, Deputy Commissioner, Disability and Income Security Programs, Social Security Administration

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me today to discuss the Social Security Administration's (SSA) implementation of the Ticket to Work and Self-Sufficiency Program ("Ticket program"). As you know, Mr. Chairman, President Bush has a strong interest in disability issues. The President has said that he is committed to tearing down the remaining barriers to equality that face Americans with disabilities today. His "*New Freedom Initiative*" will help Americans with disabilities by increasing access to assistive technologies, expanding educational opportunities, and increasing the ability of Americans with disabilities to integrate into the workforce.

I would like to express my thanks to you, Mr. Chairman, Mr. Matsui, and members of the Subcommittee, for your hard work and support in making the Ticket program a reality. Established as part of the Ticket to Work and Work Incentives Improvement Act of 1999 ("Ticket Act"), it was a crucial element of meeting that legislation's goal to remove barriers to employment that many Americans with disabilities face. Because of the Ticket Program, beneficiaries will have more choices in obtaining employment support services to help them reach their employment goals.

Today I would like to provide an update on the implementation of the Ticket program, and touch upon a few related issues.

Implementation of the Ticket to Work Program

First, let me briefly outline this program. A disabled beneficiary receives a Ticket if he or she is between the ages of 18 and 64 and his or her medical condition is not expected to improve in the near future. The beneficiary may take the Ticket to the State Vocational Rehabilitation Agency or any of the employment service providers who offer employment support services in the community. These providers are called Employment Networks (ENs). The beneficiary and the Employment Network will jointly develop a plan of services leading to employment. In addition, SSA will not schedule a periodic continuing disability review (CDR) for a beneficiary who is receiving services from an EN. I will discuss these provisions in more detail later.

We are implementing the Ticket program in three phases. By using a staggered approach to implementation we can further develop and refine the program before it is fully in place. About 2.4 million beneficiaries with disabilities are eligible to receive Tickets to Work in the 13 States selected for the first phase of the program. From February through June 2002, we mailed Tickets to most of these beneficiaries in a graduated release. (Because of the impact of last year's terrorist attacks, we developed a slightly delayed release schedule for Tickets in New York.) Using this method provided time to develop an infrastructure of ENs within these states to serve the beneficiaries and to ensure that they were aware of the program's availability. Currently we have more than 400 ENs in place.

We believe the program is off to a good start. Participation is voluntary, and I am happy to report that as of this month more than 7,000 beneficiaries out of the 2.4 million beneficiaries eligible to receive Tickets have assigned their Tickets to ENs or the State vocational rehabilitation agencies in the initial 13 States. We expect to see higher numbers of beneficiaries participating as we gain experience and the program matures, but we know we have much work to do to make those expectations a reality.

The second phase of the program will begin in November 2002. During this phase of the Program, approximately 2.6 million beneficiaries are eligible to receive Tickets in 20 additional States and the District of Columbia. Then in 2003, we will release Tickets to the approximately 3.3 million beneficiaries in the remaining 17 States and the U.S. Territories during the third and final implementation phase. By January 2004, we will have fully implemented the Ticket program.

Employment Networks

I would now like to focus on the role of the EN in the Ticket program. Under the Ticket Act, the Commissioner enters into agreements with qualified State, local, or private organizations to serve as ENs. These ENs will then provide vocational rehabilitation, employment, and other support services to beneficiaries with disabilities to assist them to find and maintain employment.

Employment Networks operate under agreements with SSA, and can be any qualified State or local government agency, or a private entity, that assumes responsibility for the coordination and delivery of services under the Ticket program. An EN may be a one-stop delivery system established under the Workforce Investment Act of 1998; a State Vocational Rehabilitation Agency; a single provider of services; or a group of providers organized to combine their resources into a single entity. Employment Networks can provide services directly or by entering into agreements with other organizations or individuals to provide the appropriate services. ENs will only be paid based on their success in assisting beneficiaries to secure and maintain employment and move off the disability benefit rolls.

On April 13, 2001, the Agency published a Request for Proposals for organizations in the 13 States in the first phase of the Program wishing to serve as ENs. On April 25, 2002, SSA published an amended Request for Proposals from organizations wishing to serve as ENs, based on the final regulations published on December 28, 2001. Our Program Manager, MAXIMUS, is currently evaluating and making recommendations on the organizations responding to the Request for Proposals. MAXIMUS and the Agency are also marketing the Ticket program to other prospective ENs through mailings, EN recruitment fairs, and other contacts.

As of September 2002, we have received over 500 applications from providers to be ENs, and have entered into agreements with more than 425 providers to serve as ENs. We are working hard to attract sufficient providers of employment services so that beneficiaries will enjoy the degree of choice when selecting an EN that members of Congress and people with disabilities envisioned when the Ticket Act was developed. ENs report that beneficiaries are apparently already comparing available ENs before deciding where to assign their Tickets.

ENs are already setting up client interviews and are beginning to provide services to beneficiaries. We believe that these activities have increased demand for their services. For instance, as of early September 2002, over 60 percent of the tickets assigned were assigned by "new" participants (beneficiaries who had previously not received VR services and who first signed plans for services under the Ticket to Work program). I might note that, out of this group, about one-third assigned their Tickets to an EN. The remaining two-thirds signed plans for services with their State Vocational Rehabilitation Agency. We are and will continue to look carefully at the Ticket assignments to make sure that beneficiaries have a range of choice of providers envisioned by the legislation.

A key element of the Ticket program is that the beneficiary bears none of the cost of employment, vocational, or other support services. It is the Agency that pays an EN for providing services to a beneficiary. An EN can elect to receive payment under one of two systems. Under the Outcome Payment System an EN will be paid for each month, up to sixty months, in which a beneficiary it is serving does not receive cash benefits due to work or earnings. Under the Outcome-Milestone Payment System, an EN will receive payment when a beneficiary it is serving achieves one or more milestones toward self-supporting employment. Under this second payment system the EN will also receive reduced outcome payments for each month, up to sixty months, that a beneficiary does not receive cash benefits due to work or earnings. The Agency has provided up to four milestones for which an EN can be paid. We have begun receiving and processing the first requests for milestone

and outcome payments from the ENs. The first milestone payment was made during May 2002.

As I mentioned, the Ticket Act also calls for the Commissioner to enter into an agreement with a Program Manager to assist the Agency in administering the Ticket to Work Program, MAXIMUS, Inc. Among MAXIMUS' duties are recruiting, recommending, and monitoring the ENs selected by SSA to provide services; facilitating beneficiary access to the ENs; facilitating payment to the ENs; and resolving disputes between beneficiaries and ENs under the program. I am pleased to note that the ENs and beneficiaries appear to be satisfied with the level of service provided by MAXIMUS.

As an Agency, we appreciate the important role our employees play in successfully implementing any new policy. That is why we arranged for training sessions on Ticket to Work and employment support topics during all three phases of the Ticket implementation. We have already completed the training sessions for the first phase, and will hold the sessions for the second phase in October 2002. We are also developing specialized training for field employees on employment supports.

Other Supports for Return to Work

While the Ticket program is the central element of the Ticket to Work Act, that law includes several other provisions that seek to encourage disability beneficiaries to return to work. Importantly, these provisions benefit disabled individuals even if they are not using their Ticket. I will summarize the implementation status of these provisions.

Pursuant to Section 121 of the Ticket Act, we established Benefits Planning, Assistance and Outreach (BPAO) program to fund organizations to help disability beneficiaries understand the effect of work activities on their benefits and explain other existing programs which assist disability beneficiaries who wish to work. In fiscal years 2000 and 2001, we awarded cooperative agreements under the BPAO program to 116 organizations, which are located nationwide and all U.S. territories. So far, more than 28,000 beneficiaries have received help from BPAO organizations.

Section 122 of the legislation authorized SSA to make payments in each State to the protection and advocacy system established pursuant to the Developmental Disabilities Assistance and Bill of Rights Act. The payments are made to the Protection and Advocacy (P&A) systems for the purpose of providing services to assist in protecting the rights of disability beneficiaries in their return to work efforts. The P&As are to provide information and advice about obtaining VR and employment services, as well as advocacy or other services that a beneficiary needs to secure or regain gainful employment. In FY 2001, we awarded 57 P&A grants nationwide, and in the U.S. territories. All P&A projects have completed implementation efforts and are providing the required information and advocacy services. By the end of 2001, they had provided services to over 10,000 beneficiaries.

The Ticket Act also reduced the need for disability beneficiaries to choose between returning to work and receiving health care coverage. It extended Medicare coverage for working individuals with disabilities by an additional four and a half years, and expanded the Medicaid program to give the states the option of providing coverage to more working people with disabilities. This extension of coverage became effective on October 1, 2000. Twenty-six states already have Centers for Medicare and Medicaid Services (CMS) approved plans for extending Medicaid coverage in place and an additional eight states have passed enabling legislation and are working with CMS to gain approval for their plans. Additionally, approximately 52,000 persons have benefited from the extension of Medicare coverage.

Also, the Ticket Act included two sections that sought to eliminate work disincentives for all disability beneficiaries, even those not using tickets. Under Section 112, an individual whose benefits terminated because of work activity can request that benefits start again without having to complete a new application. While the Agency determines the requestor's eligibility for reinstatement, he or she can receive provisional benefits for up to six months. This process is called expedited reinstatement. Since this provision became effective on January 1, 2001, we have adjudicated almost 12,000 expedited reinstatement claims that have been filed. We have completed SSA instructions and training for field employees, and expect to publish a Notice of Proposed Rulemaking on the provisions of expedited reinstatement in the winter.

Under Section 111, a Social Security Disability Insurance beneficiary's work activity will not trigger a CDR if he or she has received benefits for at least 24 months. This provision became effective on January 1, 2002. We have completed instructions and training for field employees to familiarize them with the new provision, and we expect to publish a Notice of Proposed Rulemaking on the provisions of suspending CDRs also in the winter.

One of the systems enhancements we are developing to prevent triggering a CDR is called the Disability Claims File. This system will link the software that tracks work information and the end of the trial work period for beneficiaries to the system that controls medical diaries. Additionally, because one system will track all work information and control all continuing disability reviews, we expect to improve our ability to properly handle work reports, reducing both the number of incorrect payments and our processing time for these reviews. We have begun efforts to improve automation of these workloads and expect further enhancements.

Work Incentive Specialists

Section 121 of the Ticket Act requires SSA to establish a corps of specialists devoted to issues related to work incentives. From July 2000 to September 2001 we piloted an Employment Support Representative position as we look for ways to provide that service. We are considering how best to provide employment support-related information and services to beneficiaries with disabilities who want to work, within the context of our overall operations. We have not made any decisions yet.

Conclusion

Finally, I thank you, Mr. Chairman, Mr. Matsui, and all the members of the Subcommittee, for showing continued dedication to the Ticket program. Thanks to that commitment, we look forward toward providing more beneficiaries with the additional opportunities and tools they need to enter or reenter the workforce.

I would also like to acknowledge the valuable input we have received from the Ticket Advisory Panel and the Social Security Advisory Board. We are committed to achieving the goal set by Congress to improve access to jobs for Americans with disabilities. I believe, and I am sure you will agree, that the nation benefits greatly when all of its citizens have the opportunity to make the most of their talents. We shall implement the Ticket program with the goal of realizing this idea.

Again, thank you for inviting me to be here today. I look forward to working with you to successfully implement the Ticket program.

Chairman SHAW. Thank you, Mr. Gerry.

I think most of us agree that understanding the Social Security work incentives and how earnings impact benefits is not easy to do, and the lack of understanding promotes fear, which has the potential of preventing people from returning to work. One of those fears that I referred to earlier regarding loss of medical benefits, which we address in the law, but has not been implemented in many States including my own.

That is why in the Ticket to Work law we ask the Social Security Administration to establish a core of trained, accessible and responsive work incentive specialists. What have we done in that regard in setting that up, and how is that working?

Mr. GERRY. Well, of course, the agency did establish a pilot program where we set up Employment Support Representatives (ESR), and we have been looking at the experience. We currently have 24 of those representatives still working in the original structure. The Commissioner has not yet decided the best way to fully respond to what is clearly the mandate that Congress established in the statute. I think one of the things we have learned is that it is very important for the Agency as a whole to get involved in this work. That is, we have been looking at strategies, and I think the Commissioner will want to look at our entire workforce and try to make it generally more responsive. This is part of our regular business, and we need to begin to involve our claims representatives, our service representatives, the staff of all of our regional offices in this, not just a particularly small group of people that

might be identified on the margins. I think the Commissioner believes that we need to integrate this program totally.

So, we are going to be looking at options to do that, as well as continue to provide this kind of specific targeted support. I don't have an exact date at which point she will probably arrive at the conclusions, but I can tell you that it is something that we are actively looking at right now. We actually are just about to complete the roll-out in October because we had to delay the roll-out in New York State. At that point I think it would be a good time for us to look at the experience. We have been doing a lot of internal evaluations. We want to see how we can relate our staff to the organizations that we fund and figure out how we can really best serve people with disabilities in an integrated way across the system and not just create a separate group of people who, no matter how effective they might be, may not change the organizational culture. We need to change the way in which the Agency sees this job to include actively promoting employment opportunities for people with disabilities.

Chairman SHAW. Are any of your people out there specifically assigned to that task?

Mr. GERRY. Currently, we do have people working. As I mentioned, there are the Employment Support Representatives that we currently have, and increasingly we have been conducting training of all of our regional staff, so that there are people assigned to provide that assistance. We haven't gotten to the point that Congress wants us to get to, which is to designate formally in each field office, for example, how we would respond. Now, of course we are only doing this in 13 States.

One of the issues, and why I think it has been necessary to take some time to do this, is to look at demand: how much demand is there, and what is the demand for. We think that we ought to respond aggressively to the kinds of questions that were being asked. We are talking with the people who are fielding those questions and we are gaining a lot of experience every month about the kind of information we need to provide.

Chairman SHAW. Well, is the system overwhelmed at this point or underwhelmed or how are we doing now? In my opening remarks I mentioned that we had, how many millions we had sent out and 7,000 picked them up.

Mr. GERRY. I don't think the system is overwhelmed. I have been working, for example, fairly closely with New York. New York was a State that had grave concerns about being overwhelmed, particularly after the events of last September, and the concerns that they had about the potential impact. So, I have been monitoring New York very closely—and it is the largest State in the first 13. Actually, the States have responded well in terms of the demand. I think we have been able to meet the demand. We have a good volume, and that is what we wanted. We certainly didn't want to be underwhelmed. We are going to have to work harder to promote the program more.

So, it is not so much that we need to measure the demand to know that we have to do this. It is more measuring the demand to know how many people we need, where we need them, and in some cases expanding the training. So, we are already involved in

the systematic training of people in our field offices, moving more toward the idea that we ought to have people who work for our Agency to be able to address this issue.

Chairman SHAW. Thank you. Mr. Matsui?

Mr. MATSUI. Thank you very much, Mr. Chairman.

Thank you very much, Mr. Gerry. I want to just follow up on the Chairman's comments in terms of under-whelmed, overwhelmed. Do you feel the program is at this time, given the fact that you have only been really actually in the field, so to speak, for about 7 or 8 months now, do you feel comfortable the program is on track and adequately working?

Mr. GERRY. Yes. It was my sense from the beginning—and I think the Commissioner's sense from the beginning—that it was going to take some time for this program to fully gear up. As the Chairman mentioned in his opening remarks, that there is a lot of concern. There is some fear about what may happen to people. I think there is a trust issue that has always been there. A lot of the early experience that we have, and one of the reasons we have been trying to focus on doing it correctly, is to try to systematically convey that we can and will respond. It has always been true that there be some sort of a ramp in take-up rates, and a lot of it is the experience of the people who begin the program will have a lot to do with how many other people participate.

So, given the projections that we had, we are doing a little bit better than we thought in terms of program participation. It is not as if a lot of people flooded our offices. I have not seen any evidence that the delivery system is overwhelmed. I am a little more concerned about being sure that we have all the choices and the broadest possible range of choices for people, more than I am that the people who are being chosen are overwhelmed. That is something we have to keep working on because one of the goals of the law, obviously, was to try to broaden that choice as much as possible.

So, if I have any concerns it is more to be sure that the competition is there. That is the one thing I notice in terms of how the tickets are going out. It is not so much the volume, but it would be good to have even more competition than we seem to have. It varies a lot from State to State.

Mr. MATSUI. How are the State vocational rehabilitation programs integrating with what your people are doing on the field, or is that even an issue yet, or is that something you are kind of thinking about, how you are going to—or is there even a need to integrate them, or coordinate them I guess is a better word?

Mr. GERRY. There is a very real need to integrate and coordinate, and I have been spending a lot of time with the U.S. Department of Education, the Assistant Secretary for Special Education and Rehabilitation Services, which provides the other funding for the rehabilitation system.

The integration also involves the Workforce Investment Act, which the VR systems are part of too. As part of that, there is sort of a three-way tie between the vocational rehabilitation program, the U.S. Department of Labor programs and ours. The shared goal, is to have as rich a set of opportunities and choices for people as possible and for the VR system, along with our system, to contribute to the overall employment support needed by people. So, it

is very important that we not end up either having our funds replaced by funds that would otherwise be spent (and need to be spent) by the vocational rehabilitation providers, or for us not to coordinate effectively across and over timeframes. There are orders of priority in the Vocational Rehabilitation Act that actually put our beneficiaries high on the list. If things work well—and I mentioned this in some earlier testimony and some of the demonstrations that we are working on—it is to bring all these resources together and aggregate them and provide an integrated support structure over time. That is what we are trying to do.

Mr. MATSUI. Would that require more legislative—probably would require more regulations I would imagine, or would it? Maybe not. I mean, can you do it?

Mr. GERRY. Well, that is actually what we are trying to do in the demonstrations. We are trying to work at the State and local level to figure out how this should best proceed. It may bring up the need for legislation. It may bring up the need for regulations. I think we will know best when we actually are doing this, which we have started, and are doing with youth, and adults, and the VR systems are part of that. For the most part my own experience would be that most of this is able to be done without legislative changes. I don't think the laws are inconsistent.

Mr. MATSUI. No.

Mr. GERRY. There may be some need for regulatory changes. So far we haven't encountered that, but we are really just starting this. My experience with demonstrations is that you only find out once you finally get down to who is going to do what on Monday or who is going to pay for what. Are there barriers to doing it the way people at the local level really want to do it? Then we will find out. I think that will be within the next several months.

Mr. MATSUI. I guess the turf issue is always a difficult one to really resolve.

Mr. GERRY. It is, but had the Education Department and particularly Assistant Secretary Pasternack couldn't have been more cooperative. We have been working very closely with them, and I think at this point it is an excellent coordination.

Mr. MATSUI. Is there an interagency task force that is actually on an ongoing basis now, labor education?

Mr. GERRY. We don't have a formal one that I know of, but as part of the President's New Freedom Initiative, we have an ad hoc group of four agencies: the Labor Department, Education Department, Health and Human Services and the Social Security Administration. We have been meeting pretty much weekly to design and work together on a whole set of initiatives which the President has talked about, some of which are reaching fruition in terms of these demonstration programs. We are looking at some regulatory changes on our side, but those four agencies have been the core of that effort. I don't think we have an official designation, but it is being done under the New Freedom Initiative.

Mr. MATSUI. Probably better that way. May I just ask one last question. The backlog of the disability claims review process, that is not being impacted in any adverse way by this program, I would imagine, through different personnel and all of that? Obviously your time is being taken up, and a few others probably at the top

management level, but it is not being impacted negatively, I take it; is that correct?

Mr. GERRY. Correct. One of the considerations in looking at this whole question of how we want to provide this kind of ongoing support is that there is no overlap. When we get into questions of how we use field office staff, there will be a lot of choices. Are we going to work on this workload or are we going to work on that workload? Those are real issues, because we have a lot of competing demands, as we have said. Right now the roll-out of the Ticket and the way we are operating the program is not creating any kind of a drain of resources from the working on backlog.

Mr. MATSUI. Thank you.

Thank you, Mr. Chairman.

Chairman SHAW. Mr. Collins?

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. Gerry, just one question pertaining to the demonstration project which will reduce the benefits one dollar for every two dollars of earnings above a certain threshold. Many call it a cash cliff. What is the status of the project itself and the report that is due in early 2004?

Mr. GERRY. Well, Mr. Collins, we are moving ahead with that effort. In fact I have a meeting tomorrow in which we are finalizing the write-up of what amounts to a detailed design of a demonstration project.

What we have decided to do is to pursue this in the form of State demonstrations. We will be looking for States who want to pursue this and help do the research that is necessary to see what the effect of that one for two offset would be on employment opportunities. We went through an extended period of time trying to evaluate whether we could do this on a national sample basis and the size and cost and complexity of that. I was very involved with looking at the welfare reform demonstrations and what has gone on there. I became convinced that we could do this effectively by using State demonstrations. I think we could learn a lot about the same questions and we could do it more rapidly. I think Congress wanted to get some information about what the actual consequences would be.

I am hoping we will have something formalized by the end of this year. We may start with some States using existing funding before we do a formal competition, or we may go ahead and move to a formal competition, but we want these demonstrations to begin as soon as we can. The key is to design them so that we can learn as much as we can about the contribution that the one for two feature would make. The complexity is that it is very hard to keep all the other variables constant, because the economy changes, the employment demands change, etc. So, what we are trying to figure out is how to measure that factor so we can report to Congress with some clarity. That is my sense of what Congress wanted, whether this particular feature will contribute significantly and positively, and that is the design question. We are moving ahead as rapidly as we can at this point.

Mr. COLLINS. The early 2004 date then seems to be kind of unreasonable to reach based on 2002 for design concept and implementation and very little time for actual result.

Mr. GERRY. I think it is going to be difficult to have as much information as we would like, and I suspect that Congress wanted by that date. We will have some information, but probably it will be another 4 to 6 months before we have the kind of data that I would like. I do think it has been a very difficult process that we have gone through, but necessary to look at the design questions. We asked a lot of people. We met with the Ticket to Work Advisory Panel (Panel), and we discussed this at some length. We will have more of those discussions before the final design, but I think the key thing is that the Commissioner wants to move ahead and has decided to move on this, on a State demonstration approach. Having made that decision, I am confident that we will move ahead quickly.

Mr. COLLINS. Very good. Thank you, Mr. Gerry.

Chairman SHAW. If that cliff remains a problem, I have made some inquiries into that, and it is a question of tremendous expenses do away with it, but that is something that we should look at, because it in itself creates a barrier for a lot of people.

I would like to just go on one further area, but it involves testimony of the third panel, Ms. Prokop and Mr. Decker, who will be part of that next panel, raised some questions that I would like to explore with you, because I will not have another chance at you after they finish.

First, that most State Vocational Rehabilitation Agencies are opting to be paid under traditional cost reimbursement method, which cases are closed after 9 months of work as opposed to 60 months investment in the client that is required by private providers.

Second, private providers perceive that if they sign up to be an employer network, their current relationship with their State Vocational Rehabilitation Agency may be jeopardized.

Third, there have been reports that some current vocational rehabilitation clients were threatened with termination from vocational rehabilitation if they did not assign their ticket to the Vocational Rehabilitation Agency, or worse, were not informed that they could be better served by taking their ticket to elsewhere versus staying on a waiting list at the Vocational Rehabilitation Agency.

This is most disappointing, and it is completely opposed to our goal of the Ticket to Work Program. Have you heard an of these allegations yourself? If so, are they true? What are we doing to address it?

Mr. GERRY. Yes, Mr. Chairman, I have heard them. The first item you mention is really a choice that was provided under the statute, that is, the question of which payment system the VR Agencies would use. We have seen some States shifting to the new payment methodologies. So, I would say that although it is true that most are using the old payment system, many are shifting, but that Congress permitted them to do that, so it is not something that we have been pursuing, per se.

We are required by the Act to look at the payment methods that we use. If we were to conclude that the payment methodologies that were created for one reason or another were so unattractive that no one wanted to use them, that would be something that we would report back. At this point there is no way we would know that. There are some States that are shifting. So, as far as the first

point, I don't think that raises any particular concerns, that is, that they are using the original payment methodology.

The other two points you made I have heard about. Let me take them separately for a minute. There are anecdotal accounts that there has been pressure put on some providers to enter into agreements with Vocational Rehabilitation Agencies, who also happen to provide funding to them under the Rehabilitation Act, so even though we are talking about the Ticket to Work, they have other relationships. That is a concern that I have raised with the Education Department, along with the third point you mention, which is this question of whether or not claimants are being told that they must use a ticket. Although I am not an expert on the Rehabilitation Act in any sense, I have talked to the Education Department about their view of whether or not it would be permissible to make someone use up a one-time ticket who was otherwise entitled to services under the Rehabilitation Act. We are talking at some length. I have also talked with the U.S. Department of Justice about both of these issues to be sure that we don't have these kinds of problems. Now, I have no hard evidence of any particular State where this has occurred, but I suspect I have heard many of the same reports that you have, and we take them seriously, and we are pursuing them.

Chairman SHAW. The testimony I have referred to will of course be made available to you to follow up on it any way you can, and any further expansion that you can give us, please keep us advised.

Mr. GERRY. As soon as I learn anything about it, I would be happy to provide it.

Chairman SHAW. Thank you for your testimony. I appreciate you being with us here this morning.

Chairman SHAW. Our second witness is Sarah Wiggins Mitchell, who is the Chair of the Ticket to Work and Work Incentive Advisory Panel. Ms. Mitchell, we have your full testimony, which of course will be made a part of the record, and you may proceed as you see fit, and welcome back to this Subcommittee.

STATEMENT OF SARAH WIGGINS MITCHELL, CHAIR, TICKET TO WORK AND WORK INCENTIVES ADVISORY PANEL, SOCIAL SECURITY ADMINISTRATION

Ms. MITCHELL. Thank you. Thank you very much. Now I should say good afternoon, Mr. Chairman, and Members of the Subcommittee.

Chairman SHAW. Well, I think it is morning where you are from.

Ms. MITCHELL. On behalf of the Ticket to Work and Work Incentives Advisory Panel, I would like to thank you for this opportunity to speak with you today. We are very appreciative of the high level of interest this Subcommittee has shown regarding the implementation of the Ticket to Work Program. We also would like to recognize the tremendous amount of support you demonstrate for not only this important law, but also for the well-being of people with disabilities in general.

When you passed the Ticket to Work Program, you recognized that there are many people with disabilities currently receiving benefits to work. You also recognized that certain policies and pro-

cedures acted as disincentives and prevented people from attempting to work. Further, you also saw that both within SSA and in the Rehabilitation and Employment Support arena in general, that customer service supports were not available to assist with the transition off benefits, and you recognized also that with the proper supports people would want to attempt to go to work. Indeed, the early implementation of the programs authorized by the Ticket legislation is certainly proving your vision to be true.

Although the Ticket program got off to a later start than anticipated in the statute, SSA has now mailed out over 2 million tickets, as you noted, to Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) beneficiaries in 13 States. The response from beneficiaries has been unexpected. Although ticket distribution did not begin until February of this year, as you noted, Mr. Chairman, over 7,000 beneficiaries have signed up with Employment Networks or ENs. I am sure as you are going to hear later, there are now—at least the last data that we received—438 ENs available to the service ticket holders.

At our last Panel meeting in August we focused on ENs and we heard that the response from beneficiaries has been greater than expected. As one director put it, quote, “If I had to express one word that represents the Ticket program in South Florida, it would have to be “surprise.” When the ticket was first mailed out last February, it was my understanding few of the Florida beneficiaries would want to work. I have received over 500 telephone calls from beneficiaries inquiring into the Ticket program and asking how they may participate.” Now, although this was the experience of a particular EN, we heard a very similar response from all the other ENs that participated in our quarterly meeting.

People with disabilities also obviously needed somewhere to go for information and advocacy related to SSA work incentives and how returning to work would affect their benefits. The programs established by the Ticket legislation are clearly helping to meet the needs of beneficiaries for information. Almost 31,000 beneficiaries have sought information and assistance from the Benefits Planning Assistance and Outreach Program, and over 17,000 of those individuals were not currently employed and were looking to work.

A service provider who visited a benefit planner said, “The benefit specialist was able to present the information clearly and in simple terms. For the first time I really understood how SSI and SSDI work.” A beneficiary commented to a benefits planner, “You were enormously helpful, not to mention knowledgeable. I have a great challenge in front of me and you have given me a lot of good information. We shall see what lies ahead.”

Then there are the protection and advocacy programs, which have also proven to be enormously helpful to people with disabilities. At the end of last year more than 10,000 people have been served by the protection and advocacy programs across the country. Obviously, advocacy was another service needed by the beneficiaries of Social Security disability programs.

A significant barrier however to employment for people with disabilities has always been access to health care. As Deputy Commissioner Gerry noted in his testimony, approximately 52,000 people have benefited from the extension of Medicare benefits. In addition,

23 States now have operational Medicaid buy-in programs enacted the authority created by both the Balanced Budget Act and the Ticket legislation. An additional 10 States have passed legislation to establish a buy-in program, but they are not up and running yet. The best news is that more than 16,500 people with disabilities are working in these 23 States and participating in the Medicaid buy-in program.

The programs authorized by the Ticket legislation are off to a good start and are beginning to meet the customer needs of SSA beneficiaries that have long been neglected. However, the Panel has serious concerns about whether SSA is devoting sufficient resources to these programs to allow them a chance to fulfill their potential. In addition, the Panel is concerned that SSA will not build the infrastructure and capacity needed to support the programs as they grow.

To begin with, we believe the resources allocated to public education, training and marketing of the Ticket program are insufficient to support the programs through this critical startup period. The Ticket program represents a dramatic change in the role of SSA and its relationship to its customers with disabilities and rehabilitation providers. No longer will SSA only process claims and disburse checks. It will also offer employment support and direct help for beneficiaries who return to work. Based on public comment, the Panel believes that many beneficiaries who receive a ticket do not know what it is, what to do with it, or why it has been sent to them. The Panel has heard at public meetings from ENs, White House staff and senior SSA executives that a campaign to market the ticket to beneficiaries, providers and employers is crucial to the success of this program. As far as the Panel can determine, no resources have been allocated to marketing the Ticket program except to recruit new ENs.

Not only must beneficiaries, employers, providers and all other relevant stakeholders know about the Ticket program, the Panel believes that for the program to succeed, they must also be well educated about it. The Benefits Planning Assistance and Outreach grantees are doing an excellent job, but they simply do not have the resources to educate everyone about the program. As far as the Panel knows, SSA has not developed a campaign to educate the public about the Ticket to Work Program.

The training budget allocated to these programs by SSA is also problematic. SSA is spending less than \$4 million on training. For a new program relying on both beneficiaries and providers to make informed choices and relying on many Federal, State and private strategic partners to coordinate their efforts, an intensive and comprehensive training regime is crucial. The Panel believes the amount of resources dedicated to training is terribly inadequate. In comparison to the \$4 million just noted for the Ticket program, one program, the Federal and State vocational rehabilitation program spends about \$40 million per year on training activities.

The Panel also thinks that SSA may not be creating the service capacity both inside the agency and out to adequately support the programs and work incentive improvements of the Ticket legislation. One major concern involves the requirement of the Ticket legislation for SSA to establish the ESR program, which you were

questioning Deputy Commissioner Gerry about. In order to meet the requirement, SSA established the pilot program, which was noted previously to test the utility of full-time permanent SSA staff to fill that ESR role. The pilot actually involved 36 ESRs and the preliminary findings on the pilot program were extremely positive. The Panel heard positive feedback from SSA beneficiaries who interacted with ESRs. In addition, SSA's only evaluation report made positive recommendation regarding the ESR position.

The future of the ESR program, however, is unclear. I did hear what Deputy Commissioner Gerry was saying, that they are evaluating this as to how they want to go forward with it, but to date, the Panel has not been advised as to how they will be proceeding. It is not clear whether they will expand the pilot to full coverage, hire outside contractors, or use claims representatives as part-time work incentive specialists. The Panel strongly believes that the establishment of work incentive specialists who are full-time permanent employees of SSA, as in the ESR pilot, is essential. The Panel has expressed this concern to Commissioner Barnhart, and we are waiting for a response. We do not know whether SSA intends to continue the ESR program.

The second capacity issue involves ENs. As we said, there are now over 400 ENs to serve beneficiaries around the country. While this represents a good start, and MAXIMUS should be commended for the work they have done so far, a lot remains to be done. The Panel is concerned there are not enough providers with a diversity in both geographic location and specialization to meet the needs of beneficiaries. The geographic location of the ENs is a concern. At our Panel meeting last month we heard from an EN, "There are 58 Employment Networks in Illinois."

Chairman SHAW. Could I interrupt? How much longer do you have?

Ms. MITCHELL. Oh, I am just about finished. This is it.

Chairman SHAW. Thank you.

Ms. MITCHELL. "There are surprisingly few, maybe eight in the metropolitan area of Chicago where we provide our service. The other side of that coin is that the majority of beneficiaries of course live in the metropolitan area of Chicago." If ENs are not located where the beneficiaries are, then beneficiaries will not be able to participate in the program.

I would just like to finally close by indicating that the Panel was concerned that SSA has not developed the capacity to handle increased number of beneficiaries returning to work without exacerbating the overpayment problem. As you know, in fiscal year 1999 SSI beneficiaries owed SSA more than \$3.8 billion in overpayments. For many beneficiaries returning to work this of course remains a barrier for them.

Now, the Panel is aware that SSA has finite administrative funds and the Agency must meet all of its needs with the dollars appropriated by Congress. We are also mindful of the increased demand for customer service that will be placed on the Agency as baby boomers begin to retire. We know that they must establish priorities and the Ticket legislation must compete with these other programs. However, if the resource and capacity issues are not addressed, the Ticket program may in fact fail, not because people

with disabilities don't want to work and not because the program could not be effective, but rather because it was never given the chance to succeed.

I just would like to, in closing, acknowledge and thank the Agency. The Agency has been most cooperative with the Panel, has been very accessible. They have solicited our input, and Deputy Commissioner Gerry and his staff, I would particularly like to acknowledge and thank. Thank you for your time and attention.

[The prepared statement of Ms. Mitchell follows:]

Statement of Sarah Wiggins Mitchell, Chair, Ticket to Work and Work Incentives Advisory Panel, Social Security Administration

Good morning Mr. Chairman, members of the Committee. On behalf of the Ticket to Work and Work Incentives Advisory Panel, we would like to thank you for this opportunity to speak to you today. The Panel is very appreciative of the high level of interest this committee shows regarding implementation of the Ticket to Work and Work Incentives Improvement Act. The Panel would also like to take the time to recognize the tremendous amount of support this committee demonstrates for not only this important law, but for the well being of people with disabilities in general.

When you passed the Ticket to Work and Work Incentives Improvement Act, you recognized the desire of many people with disabilities currently receiving benefits to work. You also recognized that certain policies and procedures acted as disincentives and prevented people from attempting to work. Further, you saw both within SSA, and in the rehabilitation and employment support arena in general, that customer service supports were not available to assist with the transition off benefits. It was also clear to you that with the proper supports, people would want to attempt to go to work. Indeed, the early implementation of the programs authorized by the Ticket legislation is certainly proving your vision to be true.

Although the Ticket program got off to a later start than anticipated in the statute, SSA has now mailed out over two million tickets to SSI and SSDI beneficiaries in 13 states. The response from beneficiaries has been unexpected. Although ticket distribution did not begin until February of this year, over 7000 beneficiaries have signed up with Employment Networks, or ENs, for services.

There are now 428 ENs available to serve ticket holders. The Panel focused last month's quarterly meeting on ENs. We heard that the response from beneficiaries has been greater than expected. As one director put it, "If I had to express one word that represents the Ticket program in South Florida, it would have to be **"surprise"**. When the Tickets were first mailed out last February, it was my understanding few of the Florida beneficiaries would want to work. I have received over 500 telephone calls from beneficiaries inquiring into the Ticket program and asking how they may participate." Although this was the experience of a particular EN, we heard a very similar response from all the other ENs that participated in the Panel's quarterly meeting.

People with disabilities also obviously needed somewhere to go for information and advocacy on SSA work incentives and how returning to work will affect their benefits. The programs established by the Ticket legislation are clearly helping to meet the need of beneficiaries for information. Almost thirty-one thousand beneficiaries have sought information and assistance from the Benefits Planning Assistance and Outreach program. Thirty-one thousand—a significant number of people. And over 17 thousand of those people were not currently employed and were looking to work. A service provider who visited a benefit planner said, "The benefits specialist was able to present the information clearly and in simple terms. For the first time I really understood how SSI and SSDI works." A beneficiary commented to a benefits planner, "You were enormously helpful, not to mention knowledgeable. . . . I have a great challenge in front of me and you have given me a lot of good information. We shall see what lies ahead."

The Protection and Advocacy Program has also proved enormously helpful to people with disabilities. At the end of last year, more than ten thousand people had been served by the P&A programs across the country. Obviously, advocacy was another service needed by beneficiaries of Social Security disability programs.

A significant barrier to employment for people with disabilities has always been access to health care. Twenty-three states now have operational Medicaid buy-ins, enacted under the authority created by both the Balanced Budget Act and the Ticket legislation. An additional ten states have passed legislation to establish a buy-in but they are not up and running yet. The best news is that more than sixteen

thousand five hundred people with disabilities are working in these twenty three states and participating in the Medicaid buy-in.

The programs authorized by the Ticket legislation are off to a good start and are beginning to meet the customer service needs of SSA beneficiaries that have long been neglected. However, the Panel has serious concerns about whether SSA is devoting sufficient resources to these programs to allow them the chance to fulfill their potential. In addition, the Panel is concerned that SSA will not build the infrastructure and capacity needed to support the programs as they grow.

To begin with, we believe the resources allocated to public education, training and marketing of the Ticket to Work Program are insufficient to support the programs through this critical start up period. The Ticket program represents a dramatic change in the role of SSA and its relationship to its customers with disabilities and rehabilitation providers. No longer will SSA only process claims and disburse checks. It will also offer employment support and direct help for beneficiaries who return to work. Based on public comment, the Panel believes many beneficiaries who receive a ticket do not know what it is, what to do with it or why it has been sent to them. The Panel has heard at public meetings from ENs, White House staff and senior SSA executives that a campaign to market the ticket to beneficiaries, providers and employers is crucial to the success of this program. As far as the Panel can determine, no resources have been allocated to marketing the Ticket Program, except to recruit new ENs.

Not only must beneficiaries, employers, providers and all other relevant stakeholders know about the Ticket to Work Program, the Panel believes that for the program to succeed they must be well educated about it. The Benefits Planning Assistance and Outreach grantees are doing an excellent job, but they simply do not have the resources to educate everyone about the program. As far as the Panel knows, SSA has not developed a campaign to educate the public about the Ticket to Work Program.

The training budget allocated to these programs by SSA is also problematic. SSA is spending less than four million dollars on training. For a new program relying on both beneficiaries and providers to make informed choices, and relying on many Federal, state and private strategic partners to coordinate their efforts, an intensive and comprehensive training regimen is **crucial**. The Panel believes the amount of resources dedicated to training is terribly inadequate. In comparison, one program, the Federal and State Vocational Rehabilitation program, spends about forty million dollars per year on training activities.

The Panel also thinks that SSA may not be creating the service capacity, both inside the agency and out, to adequately support the programs and work incentive improvements of the Ticket legislation. One major concern involves the requirement in the Ticket legislation for SSA to “establish a corps of trained, accessible and responsive work incentive specialists **within** the Social Security Administration—(emphasis added)” In order to meet the requirement, SSA established a pilot program to test the utility of full time permanent SSA staff to fill that role called Employment Support Representatives or ESRs. The pilot involved 36 ESRs. The preliminary findings for the pilot program were extremely positive. The Panel heard positive feedback from SSA beneficiaries who interacted with ESRs. In addition, SSA’s own evaluation report made positive recommendations regarding the ESR position.

The future of the ESR position, however, is unclear. SSA has not to date told the Panel how it intends to proceed. Will SSA expand the pilot to full coverage? Hire outside contractors? Will SSA use claims representatives who are part-time work incentive specialists? The Panel strongly believes that the establishment of work incentive specialists who are full-time, permanent employees of SSA, like the ESR pilot, is essential. The Panel has expressed its concern to Commissioner Barnhart and we are waiting for a response. We do not know whether SSA intends to continue the ESR program.

The second capacity issue involves ENs. As we said, there are now over 400 ENs to serve beneficiaries around the country. While this represents a good start and Maximus should be commended for the work they have done so far, a lot remains to be done. The Panel is concerned there are not enough providers, with a diversity in both geographic location and specialization, to meet the needs of beneficiaries. The geographic location of the EN’s is a major concern. As one EN told the Panel at our last meeting, “There are 58 employment networks in Illinois . . . surprisingly very few, maybe eight in the metropolitan area of Chicago where we provide our service. The other side of that coin is that the majority of beneficiaries, of course, live in the metropolitan area of Chicago.” If the ENs are not located where the beneficiaries are, then beneficiaries will not be able to participate in the Ticket Program.

The Panel has also been told that not very many of these ENs are new providers. A primary goal of the Ticket program was to expand the universe of service providers to allow real choice for people with disabilities. We think the program has a long way to go to make true choice a reality. As that same Illinois EN reported to the Panel, “. . . Very, very few new players have come in, which I think is not what the intent was . . . it is the same network of players that has always been there.”

Finally, the Panel is concerned that SSA has not developed the capacity to handle increased numbers of beneficiaries returning to work without exacerbating the overpayment problem. As you know, in fiscal year 1999, SSI beneficiaries owed SSA more than 3.8 billion dollars in overpayments (GAO-01-778, *Social Security Administration: Status of Achieving Key Outcomes and Addressing Major Management Challenges*, June 2001, p.12). Many beneficiaries who have returned to work in the past, or unsuccessfully attempted to do so, received overpayments and are required to repay the benefits. If this issue is not resolved, fear of being charged with an overpayment could act as a powerful disincentive to participation in the Ticket Program. A variety of factors may contribute to overpayments, but having the staff capacity to record and process earnings reports in a timely manner is essential to any return to work effort, including the Ticket Program.

The Panel is aware that SSA has finite administrative funds and the agency must meet all of its needs with the dollars appropriated by Congress. The Panel is also mindful of the increased demand for customer service that will be placed on SSA as the baby boomers begin to retire. We know that SSA must establish priorities and the activities surrounding implementation of the Ticket legislation must compete with all the other service needs of the agency. However, if the resource and capacity issues the Panel has brought to your attention here are not addressed the Ticket program may in fact fail—not because people with disabilities don’t want to work and not because the program could not be effective, but rather because it was never given the chance to truly succeed. Thank you.

Panel Members

Mary Katherine (Katie) Beckett, IA Richard V. Burkhauser Ph.D.—Cornell University, Chair, Dept. of Policy Analysis and Management. NY
 Thomas P Golden, MS—Cornell University, Program on Employment and Disability. NY
 Kristin E. Flaten, INITIATIVES/Lifetrack Resources, Mental Health and Benefits Advocacy Specialist. MN
 Frances Gracechild, MA, Resource for Independent Living, Inc., Executive Director. CA
 Christine Griffin, Disability Law Center, Executive Director. MA
 Jerome Kleckley, MSW, CSW—Eastern Paralyzed Veterans Association, Director, Hospital Services. NY
 Bryon MacDonald—World Institute on Disability, Project and Policy Development Manager. CA
 Sarah Wiggins Mitchell, **Chair**—New Jersey Protection and Advocacy, Inc., President/Executive Director. NJ
 Vince Randazzo, The Business Roundtable, Director of Public Policy. VA
 Stephen L. Start, S.L. Start & Associates, Inc., President/CEO. WA
 Susan Webb, MBA—ABIL Employment Services. AZ

Chairman SHAW. Mr. Collins?

Mr. COLLINS. No questions.

Chairman SHAW. Mr. Matsui?

Mr. MATSUI. Thank you, Mr. Chairman.

Ms. Mitchell, you mentioned—and I am still trying to figure out these—the ESR, which is obviously you feel that has been working very well, and the issue I guess is whether it will be phased out and a lot of the folks are really interested in this program. I should have probably asked Mr. Gerry that issue, but could that have something to do with the fact that SSA has to make a decision in terms of its priorities? You have the backlog, and we had a lot of

hearings on that over the last couple, 3 years now, and that is a substantial problem to deal with. Then we have obviously this new program coming up, and we are trying to deal obviously with that. How would you respond to that? I do not mean to say you have to make a choice, because I don't know if that is really the case. How would you respond to that, because I think that is a dilemma that the Commissioner is facing and Mr. Gerry is facing, and I am trying to figure that out. I shouldn't say what is more important, because both of them are extremely important, but how do you help us resolve that issue? I have to say more money, but I don't think we could get into that. I mean I think that is a very difficult issue.

Ms. MITCHELL. Right. We understand, the Panel understands the Agency's responsibility to weigh and balance resources and how they are to be utilized and what-have-you. However, I think we do believe that this ESR program is such a critical component of the Ticket program, that however that balancing goes on, that it perhaps deserves, maybe outweighs some other programs and issues that might be considered.

We have heard from beneficiaries that some beneficiaries feel that without this program that there will be fairly high likelihood that there will be really serious difficulties in this Ticket program succeeding.

Mr. COLLINS. Without that?

Ms. MITCHELL. Yes, without this position.

Mr. COLLINS. Thank you. Thank you.

Chairman SHAW. Mr. Hayworth?

Mr. HAYWORTH. I have no questions. Just thank you, Ms. Mitchell, for coming, and thank you, Mr. Chairman.

Chairman SHAW. Thank you very much.

Ms. MITCHELL. Thank you.

Chairman SHAW. We will now go to the final panel, which is quite large. I will call, according to the order in which you will be asked to give your testimony.

Susan Prokop, who is Co-Chair, Work Incentives Task Force, Consortium for Citizens with Disabilities; John Kregel, who is the Director of the Benefits Assistance Resource Center in Virginia Commonwealth University in Richmond, Virginia; Mary Satterfield, who is the Project Director of the MAXIMUS Ticket to Work in Alexandria, Virginia; Charlene Dwyer, who is Vocational Rehabilitation Administrator, Wisconsin Department of Workforce Development in Madison, Wisconsin; Dan O'Brien, who is the Program Manager of the Ticket to Work and Community Rehabilitation, Oklahoma Department of Rehabilitation Services, Oklahoma City, Oklahoma; Susan Webb, who's a Director of ABIL Employment Services, Avondale, Arizona.

Is that in your district?

Mr. HAYWORTH. These are good friends of mine from the State, but regrettably not my district. We were hoping realignment might take care of that, redistricting.

Chairman SHAW. She is accompanied by Amy Gilliland, who is a Ticket to Work Program Participant in Glendale, Arizona. Am I getting closer? No?

Mr. HAYWORTH. Still good friends.

[Laughter.]

Chairman SHAW. You know, it is amazing, everyone is a good friend as November comes closer.

[Laughter.]

Mr. HAYWORTH. Hard to believe, Mr. Chairman, but they have actually been my friends long before November.

[Laughter.]

Chairman SHAW. David Gadaire, who is the Program Director of Career Point, Holyoke, Massachusetts; and Curtis Decker, who is the Executive Director of the National Association of Protection and Advocacy Systems.

We are going to be called for a vote right around 1 o'clock we have been advised. If you can summarize as best you can. We have your whole statement, which of course is being made a part of the record, and we very much appreciate you taking the time. We can recess and come back this afternoon, but if you can move quickly through the testimony, it would be helpful, and maybe we can include it before we are called away again to vote and delay your departure. Ms. Prokop.

STATEMENT OF SUSAN PROKOP, CO-CHAIR, WORK INCENTIVES TASK FORCE, CONSORTIUM FOR CITIZENS WITH DISABILITIES

Ms. PROKOP. Thank you, Mr. Chairman, Members of the Subcommittee. Good afternoon. My name is Susan Prokop, and I am speaking to you today as Co-Chair of the Consortium for Citizens with Disabilities Work Incentives Task Force.

First of all, thank you for your continued interest in the Ticket to Work and Work Incentives Improvement Act. At the outset, I want to draw your attention to the several positive developments surrounding Ticket and TTWWIIA implementation that we note in our written statement. The developments are encouraging, and I just wanted to point that out. The remainder of my oral remarks will focus on some other issues that we do feel need to be addressed in order for this law to be fully successful.

As has already been mentioned, there is a concern in our Task Force about the marketing of TTWWIIA and Ticket to Work, despite the fact that Social Security, MAXIMUS, its marketing subcontractor, NISH, the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program and Benefits Planning, Assistance and Outreach (BPAOs) have made concerted efforts to promote this program. The extent to which beneficiaries, at least from what our Members have ascertained, seem to be aware of TTWWIIA is not as strong as we would prefer. That is why we would like to see Social Security enlist more of its counterparts in other agencies involved with workforce development in promoting TTWWIIA on their own websites, in their own communications with the public, using the regional Disabled Business Technical Advisory Commission, Job Accommodation Network, the Centers for Independent Living, using the PABSS program more, and even perhaps pursuing partnerships with groups like the Ad Council to put out public service announcements about TTWWIIA and the Ticket program.

Our Task Force continues to believe that the payment system for the Ticket to Work Program needs to be improved if it is to serve

all beneficiaries. Beneficiaries inquiring about the Ticket, being referred to Employment Networks, getting placed in jobs, seem to be predominantly those on Social Security Disability Insurance. For some ENs, it can take almost twice as long to recoup the costs of an SSI beneficiary than for an SSDI recipient. Impediments to serving those on SSI, often those with the most severe disabilities, include the longer time it takes for beneficiaries to reach zero cash benefits, the point at which an EN gets paid. In addition, an EN gets paid less to serve clients on SSI than clients on disability insurance (DI) because the SSI benefits are lower for those on DI.

The zero cash benefits requirement also discourages ENs from serving beneficiaries who may only be able to reduce their dependence on benefits by working part time, and those with vision impairments who must reach the higher blind Substantial Gainful Activity (SGA) level. Clearly the payment system needs further improvements, although we do appreciate Social Security's addition of some more milestones and increase in the payments. In order to ensure a wide range of Employment Networks are there to serve the widest range of beneficiaries, we would like to see further exploration of improvements to the payment system.

We also feel that Social Security still needs to clarify its policy regarding disabled adult children or DACs, as they are called. Disabled adult children, who depend on the higher benefits afforded them through their parents' earning records, may lose their DAC status if they go to work, earn above SGA, and then have to return to the disability rolls. SSDI benefits, based on their own work record, are likely to be substantially less. If Social Security won't issue a policy that clearly supports providing full access for disabled adult children to all of the provisions of TTWWIIA, including reentry to the program in DAC status, Congress should resolve this through an amendment to the law.

I will just conclude with a couple of other issues which, although they rest with other Committees, are important to the success of TTWWIIA. The first concern is the troubling signs that State budget deficits will discourage participation by additional States in the Medicaid buy-in, or even prompt some States to drop out. You noted, Mr. Chairman, that Florida has backed out of or plans to repeal its Medicaid option, and that was rather distressing.

As we all know, Medicaid covers important benefits not covered under Medicare and we are concerned that the fiscal difficulties facing some States may foreclose opportunities through TTWWIIA for millions of Social Security disability recipients. State budget woes also appear to be dampening interest in section 204 of the TTWWIIA, which authorizes demonstration projects for Medicaid coverage of workers with potentially severe disabilities that, without medical care and treatment, may force them onto the disability rolls. Only 4 States have opted for this 204 program, and less than half the appropriated funds for section 204 will be used under current projections. Existing deadlines for evaluation of the program should be extended, or 204 made a permanent option for States to take advantage of in order to give it time to demonstrate its feasibility.

We also have ongoing concerns about the relationship of State Vocational Rehabilitation Agencies in the Ticket program. I appre-

ciate, Mr. Chairman, your question to Mr. Gerry about these concerns over VRs' use of the cost reimbursement method, the relationship of private providers to VR and VRs working with clients of VR who also get tickets. We are beginning to think it might be worthwhile to look at the relative advantages and disadvantages experienced under the Ticket program by private providers versus State Vocational Rehabilitation Agencies. We hope that you might add your voice to our own concerns in pressing Social Security and the Education Department to really clarify what we view as a distressing situation concerning the relationship of vocational rehabilitation clients in the Ticket program and Vocational Rehabilitation Agencies.

Mr. Chairman, Members of the Subcommittee, our Task Force commends you for your continued interest in promoting economic self-sufficiency and opportunity for people with disabilities, and I look forward to answering any questions. Thank you.

[The prepared statement of Ms. Prokop follows:]

**Statement of Susan Prokop, Co-Chair, Work Incentives Task Force,
Consortium for Citizens with Disabilities**

Mr. Chairman, members of the Committee, my name is Susan Prokop and I am Associate Advocacy Director for Paralyzed Veterans of America. Today, I am speaking to you in my role as cochair of the Consortium for Citizens with Disabilities Work Incentives Task Force. As you know, CCD is a coalition of over 100 national disability advocacy and service organizations based in Washington. Most of CCD's work is done through task forces. The Work Incentives Task Force was created to monitor the implementation of the Ticket to Work and Work Incentives Improvement Act (TTWWIIA) which passed in 1999.

On behalf of the undersigned members of the Work Incentives Task Force, I want to thank you for holding this oversight hearing on TTWWIIA's progress. You and your colleagues on this committee were vital to the passage of the law and we deeply appreciate your continued interest in its success.

Even as we share with you our thoughts on TTWWIIA, we are mindful of the fact that it is still early in implementation and that a fuller picture will not emerge until the Ticket program is operational in all states and a critical mass of beneficiaries has entered the workforce and left the benefit rolls. Still, there are a number of observations that can be made about this program based on our members' experiences and reports thus far.

At the outset, let me commend the performance of the Ticket Program Manager MAXIMUS. Recently, several members of our task force toured the MAXIMUS offices in Alexandria, Virginia. We were shown their extensive call management systems, how they track recruitment of employment networks and the methods they use to collect data for program evaluation purposes while also protecting beneficiary privacy. We came away impressed with the degree of organization and service provided by their operation.

In addition, we applaud the work being done by the Protection and Advocacy for Beneficiaries of Social Security Program (PABSS) that was authorized by TTWWIIA. As you know, PABSS mission was intended to provide information and guidance on employment and vocational services to beneficiaries and to provide advocacy services to help beneficiaries secure, maintain or regain gainful employment. Despite a late startup owing to difficulties with SSA, the PABSS program provided in its first year education and training, information and referral and legal-based advocacy to over 10,000 individuals.

It has also been heartening to hear reports from the Centers for Medicare and Medicaid Services about ongoing state plan amendments being submitted and approved for adoption of Medicaid buy-ins—either under TTWWIIA or the Balanced Budget Act of 1997 (BBA) and from the Social Security Administration (SSA) and from MAXIMUS as to the numbers of beneficiaries assigning Tickets. There is clearly interest among many states and motivation among many beneficiaries to pursue the possibilities that TTWWIIA offers. Still, within these positive developments, there remain several issues that, if left unaddressed, will impede the fulfillment of TTWWIIA's promise. It is to those concerns that I will devote the rest of our statement.

Marketing

The saying “if you build it, they will come” does not necessarily apply to TTWWIIA. It is a complicated law. It is not yet in place throughout the nation. There is a lingering mistrust among beneficiaries of SSA’s intentions. In addition, having gone through the arduous application process and waited out their first continuing disability review, many beneficiaries may find the arrival of their Ticket—inviting them back into the workforce—more than a little confusing.

Many of our organizations have asked their chapters if they were getting inquiries about the Ticket to Work program or other elements of the Work Incentives Improvement Act [TTWWIIA]. Unfortunately, even in states where the roll out is occurring, the extent to which Social Security disability beneficiaries seem to be aware of TTWWIIA or asking about return to work supports and services is not as strong as we would prefer.

We believe that widespread, repeated marketing of Ticket to Work and the other elements of TTWWIIA is essential if this law is to have the impact it was intended to have. We certainly recognize that SSA and MAXIMUS, along with its marketing subcontractor, NISH, have been making concerted efforts to publicize TTWWIIA and get the word out about the Ticket program. Benefits planning organizations (BPAOs) and PABSS programs have been actively involved in roll out states providing information and guidance to beneficiaries on the use of Tickets and the interaction of various work incentives. Those efforts have been well documented. We also know that limited resources constrain the type of mass communications that might be undertaken to reach every affected beneficiary, potential provider and employer.

Nevertheless, we would urge that SSA aggressively explore cost-effective ways to heighten awareness of TTWWIIA. The Social Security Administration is already part of an interdepartmental network of numerous federal agencies involved with workforce development. SSA should press its counterparts at the Departments of Labor, Education, Health and Human Services, Commerce and other agencies to offer information about TTWWIIA and the Ticket on their websites and in their communications with the public. TTWWIIA was developed to be a multi-dimensional, cross-jurisdictional program and SSA should not be solely responsible for getting the word out about this law.

Other avenues to disseminate information about TTWWIIA could include the regional Disability Business Technical Advisory Committees or DBTACs, the Job Accommodation Network and Centers for Independent Living. Enhanced support for PABSS could draw more attention to TTWWIIA through the nationwide network of protection and advocacy cross-disability services and programs. SSA might also approach private concerns like the Ad Council to produce public service announcements in areas where the Ticket is to be issued. Undoubtedly, there are additional, relatively economical ways in which to trumpet the return-to-work program and we hope SSA will devote more attention to utilizing them.

Implications of the Milestone/Outcome Payment System

At the most recent meeting of the Work Incentives Advisory Panel created by TTWWIIA, presentations were made by representatives from a variety of employment networks. Several reports served to reinforce our belief that the payment system for the Ticket to Work Program still needs to be improved if it is to assist those with the most significant disabilities who may need extensive long term supports and services.

For example, Susan Webb, the director of ABIL Employment Services, noted that only 2 out of 22 of their Ticket clients who are currently employed are on SSI. Stephen Zwirm with Work Search of Coconut Creek Florida stated that the overwhelming majority of individuals with Tickets approaching his firm are those on SSDI. And the Massachusetts Projects with Industry indicated that three-quarters of Ticket-holders referred to them are SSDI beneficiaries. An analysis by Steve Start, CEO of SL Start and Associates, of the payment system for small ENs concluded that it could be profitable—particularly for SSDI clients. Start also determined that SSI clients could be served under his model but that they were “more risky” and the return on investment for the EN takes longer. A small EN would break even on most SSDI clients after 2.4 years versus 5.5 years on a client on SSI. Start suggested it is better for ENs serving SSI beneficiaries to partner with other entities to mitigate the front-end cash requirements needed until SSA starts to pay.

Some of the impediments to serving those on SSI or those with the most severe disabilities derive from the fact that it takes longer for these beneficiaries to reach “zero cash benefits”, the point at which an EN gets paid. In addition, payments to ENs for serving clients on SSI are lower because SSI benefits are lower than those for clients on SSDI. The requirement that a beneficiary go completely off cash bene-

fits also works against those who may only be able to work part-time and those with vision impairments who must reach the higher blind substantial gainful activity (SGA) level.

As we have said in previous testimony, we appreciate the fact that SSA increased the number and amount of milestone payments. However, we continue to believe that the payments are inadequate to ensure a wide-range of employment networks—large and small providers, community rehabilitation programs, businesses and others—are available to serve Ticket-holders with the most significant barriers to employment, those who need intensive employment supports and those who want to work but may remain on benefits for an extended period of time.

Employment Network Training

Task force members representing providers report a very strong desire among their members for more in-depth training beyond the half or whole-day training sessions offered by MAXIMUS and SSA. While those training programs offer basic information about the Ticket program and TTWWIA, providers want practical information about how to make the program work for them. Providers are also finding a need for benefits training as they are often the first point of contact for beneficiaries and their families. As a result, providers are often in a position to convince beneficiaries that going to work and off benefits and becoming independent is not only possible but beneficial. We strongly recommend that ENs be given access to on-line benefits training to help them fulfill these additional responsibilities.

Disabled Adult Children

Policy clarifications are necessary for people receiving “disabled adult child” (DAC) benefits if the Ticket program is to be successful for these individuals. For a disabled adult child, leaving the Title II program as a result of earning above the SGA level after the extended period of eligibility (EPE) and a re-entry grace period have expired could mean the loss of “disabled adult child” status for life. Our experience under current law indicates that many beneficiaries and their families do not understand that the benefits the parent has earned for the disabled adult child (severely disabled since childhood) could be permanently lost with no re-entry to DAC status in Title II after a certain period of time with earnings over SGA. This must be addressed. Otherwise, the purpose of the Ticket to Work and Work Incentives Improvement Act will be thwarted for those who qualify for benefits as disabled adult children. TTWWIA clearly contemplated the ability of disabled adult children to move on and off the program to the same extent that other people with disabilities will be allowed to do so. TTWWIA clearly cites the statutory language for disabled adult children throughout its provisions. We urge that policies clearly support the goal of providing disabled adult children full access to all of the provisions of the Ticket to Work and Work Incentives Improvement Act, including re-entry to the program with disabled adult child status. If SSA will not act, we urge that Congress resolve it through an amendment to the statute.

Employment Support Representatives

Section 121 of TTWWIA calls for the establishment of a corps of trained, accessible, and responsive work incentives specialists within SSA who will “specialize” in disability work incentives “for the purpose of disseminating accurate information with respect to inquiries and issues relating to work incentives to disabled beneficiaries”, applicants, and benefits planning, assistance and outreach organizations. We had expected that, in responding to this charge, SSA would provide “dedicated” staff to focus on work incentives and employment supports, who have undergone extensive and ongoing training, and are responsible for working directly with beneficiaries and community agencies.

Indeed, the Social Security Administration seemed to be headed in that direction with the initiation of the Employment Support Representative (ESR) pilot program. Although the 32 ESR positions established under this pilot project did not offer the nationwide coverage that the law anticipated, it was an important first step. Last November, an independent evaluation of the ESR program favorably reported on its success and recommended adoption of an ESR field-office based model with an increase in the number of ESR positions to cover the entire country.

This past May, SSA outlined a proposal that would end the ESR pilot and transfer the position responsibilities to existing staff. Citing budget and staffing limitations, SSA is proposing to create a Work Incentives Specialist (WIS) Corps. This corps will consist of designated SSA staff working part-time on disability work issues and supporting SSA field employees with their regular workloads. SSA states that this WIS Corps will receive training in its disability employment support pro-

grams and will have the opportunity to develop further expertise in this area. The fact remains that these “specialists” will not be working solely on disability work-issues. As for the requirement for “outreach” in TWWIIA, those duties to a great extent are to be transferred to SSA’s Public Affairs Specialists with some support from the WIS Corps.

However the Social Security Administration chooses to structure its employment support staff, we believe it is critical that beneficiaries are assured of accurate and timely information about SSA’s work incentives and employment support programs. Failure by SSA to supply this assistance adequately may also adversely affect beneficiaries’ access to case assistance and other types of benefits such as Medicaid and Medicare. As we noted earlier, while TWWIIA created new and important “work incentive” programs, it did not simplify the process. Given this situation, we strongly recommend that SSA be given the resources to continue providing the level of services to beneficiaries intended by TWWIIA and urge this committee to exercise careful oversight on this important aspect of the law.

Demonstrations and Studies

For many of the reasons outlined above, our task force continues to be very interested in the Adequacy of Incentives study being planned by SSA. It is critical that SSA knows what beneficiaries are being left out of the Ticket program, which providers are being discouraged from participating as ENs and what can be done to overcome the barriers they are facing. We appear to be getting preliminary information based on the experiences of early Ticket-holders and ENs. We trust that MAXIMUS and SSA are collecting this data for use by the contractor doing the Adequacy study. We urge this committee to be vigilant in pressing the Social Security Administration for a thorough evaluation of the issues surrounding the ability of TWWIIA to assist those with the most severe disabilities.

Our task force is very concerned about SSA’s lack of progress in moving forward with the “1 for 2” demonstration. Beneficiaries who fear the adverse consequences of returning to work regularly cite the “cash cliff” that SSDI beneficiaries face when they reach SGA (currently \$780 a month or \$1300 a month for those with vision impairments). This demonstration will test the feasibility of reducing Title II benefits as earned income rises. We understand that the demonstration may be limited in scope to a handful of states. While we would have preferred a nationwide study, we believe it is more important for SSA to move on with this demonstration so that we can begin to answer the many questions surrounding the merits of that policy.

Medicaid

Recognizing that your colleagues at the Energy and Commerce Committee have jurisdiction over Title 19, we nevertheless wanted to share with you our observations about this important element of TWWIIA.

According to CMS figures, 22 states, slightly less than half, are involved in some fashion with a Medicaid buy-in—either through the BBA or TWWIIA. That would seem to be cause for some celebration yet the enrollment figures in some states are frustratingly low—40 in Florida, 75 in Mississippi, 80 in Nebraska. And there are troubling signs that increasing state budget deficits will discourage participation by additional states in this important health care work incentive program. Again, according to a report from CMS, Florida has indicated that it plans to repeal its Medicaid buy-in option. Just last week, a story in the *Charleston (WV) Daily Mail* on the adverse impact of the state budget on implementation of a work incentives buy-in quoted a legislator saying, “If we didn’t have that \$187 million hole, we could make it go.” Assuring beneficiaries that they would retain access to health insurance coverage was a key tenet of TWWIIA. Extended Medicare provided by the law is a critical element of that assurance. However, the Medicaid buy-ins were meant to supply important additional benefits not found in Medicare and considered necessary for many disability beneficiaries to make that leap into the workforce. We are concerned that fiscal difficulties in some states may foreclose opportunities through TWWIIA for millions of Social Security recipients with disabilities.

Section 204 of TWWIIA authorizes demonstration projects for coverage under Medicaid of workers with potentially severe disabilities that, without medical treatment, could place them on SSDI or SSI disability rolls. A total of \$250 million was made available to the states, at the regular Medicaid matching rate, to provide Medicaid to such “pre-disabled” workers who meet state-set and HHS-approved medical criteria and are working at least 40 hours monthly (or meet comparable HHS-approved rules).

However, apparently less than half the appropriated funds will be drawn down under current projections. This is because—again—recession-related state funding

shortages have prevented all but four states from taking this option—and even they are only now completing implementation. (Rhode Island covers individuals with early-stage multiple sclerosis; Texas, people with early-stage bipolar illness and schizophrenia; and the District of Columbia and Mississippi, people who are early-stage HIV-positive.) Moreover, Section 204(e) requires the Secretary of HHS to submit recommendations by October 1, 2004 evaluating this provision and its possible continuance after Fiscal Year 2006.

We recommend—because so few states have taken this option, and those four that have done so have been slow to implement it—that this provision be extended and that the Secretary’s required recommendations be postponed for at least two years in order to allow more time for the program to play out. To do so, we suggest that Congress either codify the Section 204 coverage of “pre-disabled” workers with severe impairments into title XIX as a permanent, regular state eligibility option—or at least extend and fund Section 204 for several more years.

Vocational Rehabilitation and the Ticket Program

Although this issue also falls under another committee’s jurisdiction, we nonetheless feel it is important to bring to your attention the ongoing concerns about the relationship of state vocational rehabilitation agencies (VRAs) and the Ticket program. VRAs have a long and venerable history as the keystone of our nation’s vocational rehabilitation system. Each year, through Title I of the Rehabilitation Act they successfully serve millions of people with disabilities.

However, in order to give beneficiaries additional provider choices for job training and placement, and to improve through competition the existing VR system, the Ticket to Work Program was established. Yet, MAXIMUS reports that most Tickets are being assigned to state VRAs and, rather than competing with private employment networks (ENs) under the Ticket payment options, most VRAs are opting to be paid under the traditional cost-reimbursement method. Opting for the traditional payment method also allows the VRA to “close” a case after nine months as opposed to the 60 month “investment” in the client required of private ENs. Furthermore, some of our task force members involved with private providers are finding significant reluctance among those providers to become employment networks. These private providers perceive, whether justified or not, that becoming an EN might jeopardize an existing relationship with their state VRA. This unease, coupled with the financial risk of the payment system as outlined above, may discourage providers from becoming ENs, thus further limiting choice of provider to beneficiaries.

We understand that many of the Ticket assignments have been VR clients already “in the pipeline” and that the assignment of new Ticketholders to private providers versus VR is nearing a 50/50 ratio. So, eventually, more beneficiaries may turn to private providers and, as VRAs become more familiar with the Ticket payment systems, their use of this option may increase. However, it may be worthwhile to look at the relative advantages and disadvantages experienced under the Ticket program by private providers versus state VRAs.

Additionally, there seems to be confusion over VRAs’ responsibility to beneficiaries eligible for services under the Rehab Act who may also have received a Ticket. There have been reports that some current clients of VR were threatened with termination of services if they did not assign their Ticket to the VR agency. While we do not want to see beneficiaries obtaining services to which they are not entitled, neither do we want to see beneficiaries denied rightful services under the law. We hope you can urge the leadership of SSA and the Department of Education to clarify this distressing situation.

Continuing Concerns about the Final Regulations

Finally, we wish to convey a word about our continued misgivings about the final regulations for the Ticket to Work Program as they apply to those designated Medical Improvement Expected. We continue to believe that denying Tickets to those designated “medical improvement expected” (MIE) and who have not had their first continuing disability review (CDR) will deny many otherwise eligible beneficiaries immediate access to vital vocational rehabilitation services. We would prefer that SSA determine on a disability-by-disability basis those MIEs most likely to remain on benefits and issue them a Ticket. There is considerable evidence that earlier rehabilitation interventions result in better return-to-work outcomes for beneficiaries with disabilities.

We hope that SSA and this committee will monitor this issue closely and respond quickly to any inappropriate denials of benefits to eligible individuals.

Conclusion

We commend this committee for its continued interest in promoting economic self-sufficiency and opportunity for people with disabilities. In summary, we ask that this committee:

- Press SSA to ensure that all federal agencies involved with workforce development publicize the merits of TTWWIIA and to explore creative ways to draw attention to this program from all stakeholders with an interest in employment of people with disabilities.
- Makes sure that SSA's in-house employment support staff, however it is structured, assure that beneficiaries have access to timely and accurate information about work incentives and TTWWIIA program benefits.
- Be prepared to adjust the scope and flexibility of the PABSS program as continued barriers to employment are identified.
- Carefully monitor the Adequacy of Incentives study and evolution of the milestone/outcome payment system—and respond when necessary—to ensure that the Ticket program is attracting a broad range of providers and serving all individuals with disabilities.
- Urge SSA to offer more extensive training to providers in TTWWIIA and work incentives, including access to on-line assistance, to prepare them to serve as additional resources for beneficiaries and their families.
- Urge more time for the Section 204 Medicaid option to demonstrate its merits by extending or making permanent its authority.
- Insist that SSA's policies regarding disabled adult children and TTWWIIA offer full access to its provisions, including re-entry to the program with DAC status, or resolve this issue through legislative correction.
- Urge SSA to move forward with the 1 for 2 Demonstration to answer conclusively many of the questions surrounding one of the major remaining barriers to employment of people with disabilities.
- Encourage SSA to work with the Department of Education in resolving the confusion and misunderstanding surrounding the role of the Ticket Program to vocational rehabilitation agencies' Title I responsibilities and the relationship of VRAs and ENs.

Thank you, Mr. Chairman and members of the committee for your attention to our comments. The CCD Work Incentives Task Force looks forward to working with you in the future to assure employment opportunities for all individuals with disabilities and the proper implementation of the Ticket to Work and Work Incentives Improvement Act.

On behalf of:

American Association on Mental Retardation
 American Congress of Community Supports and Employment Services
 American Network of Community Options and Resources
 American Occupational Therapy Association
 Association for Persons in Supported Employment
 Brain Injury Association of America
 Goodwill Industries International Inc.
 International Association of Business, Industry and Rehabilitation—INABIR
 International Association of Psychosocial Rehabilitation Services
 National Association of Developmental Disabilities Councils
 National Association of Protection and Advocacy Systems
 National Alliance for the Mentally Ill
 National Multiple Sclerosis Society
 National Organization of Social Security Claimants Representatives
 NISH
 Paralyzed Veterans of America
 Title II Community AIDS National Network
 The Arc of the United States
 United Cerebral Palsy

Chairman SHAW. Thank you. Dr. Kregel.

STATEMENT OF JOHN KREGEL, ED.D., PRINCIPAL INVESTIGATOR, BENEFITS ASSISTANCE RESOURCE CENTER, VIRGINIA COMMONWEALTH UNIVERSITY, RICHMOND, VIRGINIA

Dr. KREGEL. Mr. Chairman, Members of the Subcommittee, benefits planning and assistance is the first stop on the road to employment for SSA beneficiaries. Authorized by section 121 of the Ticket to Work Act, Benefits Planning, Assistance and Outreach, BPAO projects, are providing services to SSA beneficiaries in all 50 States and 5 territories. Collectively, 116 BPAO projects employ over 400 benefit specialists, many of whom are themselves individuals with disabilities, and they currently serve 3,000 individuals each month.

The purpose of the national BPAO initiative is to provide beneficiaries accurate and timely information about myriad regulations, provisions, work incentives, and special programs that complicate an individual's decision to enter or re-enter employment. Benefits planning and assistance is an employment program providing support to SSA beneficiaries who want to work. Virtually all individuals who contact a BPAO are either employed or are actively seeking employment. The BPAO initiative is not about helping people stay on benefits. Rather, its purpose is to empower individuals to take charge of their lives.

Congress, in the Ticket to Work Act, had led to tremendous innovation and expansion of activity in this particular area. At the same time the speed at which these changes have occurred created significant challenges for the BPAO program. The BPAO initiative simply lacks sufficient capacity to adequately meet current and future demand. The problem is particularly acute for BPAOs and ticket roll-out States and programs in rural areas. For example, in Sacramento, Legal Services of Northern California is attempting to serve 87,000 beneficiaries in 19 counties in and around Sacramento with just three benefit specialists. Beneficiaries in Plano, Texas are served by the West Texas and Panhandle Benefits Planning Services Project in Odessa, several hours away. In this project one benefit specialist is attempting to serve a catchment area of 38,000 beneficiaries who live in 59 different counties. In Arizona six benefit specialists have served over 1,000 beneficiaries across the State. In Northern Arizona, 1½ staff people serve 59,000 square miles from the Navajo Reservation to Lake Havasu.

The national BPAO initiative is essential to the successful implementation of the Ticket program. When the Ticket to Work Program was launched in 13 States, BPAOs rose to the challenge and provided assistance to over 9,000 individuals in just a few months. The Ticket program manager, Employment Networks, local SSA offices, protection and advocacy agencies, and State VR Agencies all refer Ticket holders to BPAOs for information and support.

For example, the Ticket to Work Coordinator in the Arizona Rehabilitation Services Administration has received over 900 telephone inquiries since the Ticket roll-out began in his State. He refers each beneficiary to the local BPAO program to help assist in the decision as to whether or not to make a Ticket assignment.

The BPAO program is about trust. If beneficiaries are to accept personal responsibility for their careers and their economic self-sufficiency, they have to be able to trust the information they receive

and the service providers that assist them. If individuals with diabetes, epilepsy or psychiatric disability are told that they will still have access to health care coverage even though they no longer receive a cash benefit from SSA, they must be able to depend on this guidance, as erroneous information may literally put them in a potentially life-threatening situation. If an individual complies with all SSA regulations and reporting requirements, and SSA fails to accurately apply the reported information to the individual's case, the resulting overpayment can have a catastrophic and disheartening effect on even the most courageous and patient beneficiaries.

For example, Goodwill Industries in southern California describe a number of consumers who have stopped working while on benefits because of substantial overpayment situations, many of which are due to improper SSA recordkeeping or insufficient knowledge of how to report and keep track of earned income.

We need to learn from the lessons of welfare reform. Beneficiaries need to know and understand the rules and have them consistently interpreted and applied in order to fulfill their own responsibilities under the program and accept responsibility for their economic self-sufficiency. The national BPAO initiative, if effectively implemented, is an essential component of congressional efforts to include individuals with disabilities in our Nation's workforce. Thank you very much.

[The prepared statement of Dr. Kregel follows:]

Statement of John Kregel, Ed.D., Principal Investigator, Benefits Assistance Resource Center, Virginia Commonwealth University, Richmond, Virginia

**Benefits Planning, Assistance, and Outreach:
The First Stop on the Road to Employment**

Introduction

Benefits planning and assistance is the first stop on the road to employment and economic self-sufficiency for SSA beneficiaries. Authorized by Section 121 of the Ticket to Work and Work Incentive Improvement Act of 1999, 116 Benefits Planning, Assistance and Outreach (BPAO) programs are providing services to SSA beneficiaries in all 50 states and five territories. Collectively, the 116 BPAO projects employ over 400 benefits specialists, many of whom are themselves individuals with disabilities, and have served over 30,000 individuals since their inception less than two years ago.

The purpose of the national BPAO initiative is to provide beneficiaries with accurate and timely information about SSA work incentives and other Federal efforts to remove regulatory and programmatic barriers to employment for persons with disabilities. Trained benefits specialists working in local BPAO programs work with individual beneficiaries to explain the myriad of regulations, provisions, work incentives and special programs that complicate an individual's decision to enter or reenter the workforce. Benefits specialists do not tell beneficiaries what to do or make specific recommendations. Instead, they allow beneficiaries to make their own informed decisions based on complete and accurate information. In addition, they support individuals who choose to enter employment by assisting them to comply with all relevant regulations and reporting procedures.

The questions posed to benefits specialists by beneficiaries are basic and straightforward. What will happen to my benefit check if I return to work? What is the ticket program and what will it do for me? I am currently working and got a letter from SSA—can you help me? How can I notify SSA when I work so I can avoid overpayment situations? As simple and basic as these questions are, their answers are often complex and convoluted. Even more frustrating to beneficiaries is the overwhelming amount of confusing and inconsistent information they receive from SSA, Employment Networks, Vocational Rehabilitation and other agencies involved in the employment process. This sea of misinformation makes employment seem a perilous

and terrifying undertaking and lessens the resolve of many beneficiaries attempting to pursue their career goals.

Benefits planning and assistance is designed to fill this information void by providing beneficiaries access to complete, individualized information from a trained professional in a confidential setting apart from SSA. Armed with an understanding of the impact of employment on their benefits, beneficiaries can make informed choices about entering employment, maintaining health care coverage, and obtaining necessary supports and services. With the help of benefits planning and assistance, beneficiaries can take charge of their own careers without the constant worry that the application of an unknown rule or a mistake by a federal caseworker will jeopardize their ability to pay for their basic needs or treat their health conditions. Viewed in this way, benefits planning and assistance is the most basic of all employment programs.

This testimony contains four sections. The first section discusses the achievements and challenges of the national BPAO initiative. The second section describes the current and future role of BPAOs in the implementation of the Ticket to Work program. The third section makes several recommendations for improving the BPAO program. Finally, the fourth section summarizes current trends in the implementation of benefits planning and assistance based on information from the National BPAO Data System maintained by Virginia Commonwealth University.

Section I: Achievements and Challenges of the Benefits Planning, Assistance and Outreach Initiative

Accomplishments

The national BPAO initiative is less than two years old. In that short time 116 local programs have been established, staff members have been hired and trained, and relationships have been developed between BPAOs and SSA field offices, Employment Support Representatives, Employment Networks, Vocational Rehabilitation Agencies and community advocacy and provider organizations. Several of the key accomplishments of the BPAO initiative are summarized below.

The national BPAO initiative has grown at a remarkable rate. BPAO projects are located in independent living centers, advocacy agencies, State Vocational Rehabilitation agencies, community rehabilitation providers, legal aid agencies, universities, and other diverse settings. Over 400 benefits specialists have received ongoing training and technical assistance to insure program quality. To date over 30,000 individuals have received services from BPAOs, with over 3,000 new beneficiaries receiving service each month. SSA has done an outstanding job of launching a major new national service in a very short amount of time.

Benefits planning and assistance is an employment program, providing support to SSA beneficiaries who want to work. Approximately 85% of all individuals who contact a BPAO are either employed or are actively seeking employment. Another 13% are attempting to get information about work incentives, the ticket, and other programs that will help them decide whether to pursue employment. Only 2% of persons contacting BPAOs are in the process of terminating employment or reducing their work hours. The BPAO initiative is not about helping people stay on benefits. Rather, its purpose is to empower individuals to take charge of their lives and enhance their economic self-sufficiency.

The national BPAO initiative is essential to the successful implementation of the ticket program. When the Ticket to Work program was launched in 13 states, BPAOs rose to the challenge and provided assistance to over 9,000 individuals in a very short time. The Project Manager, Employment Networks, local SSA offices, Protection and Advocacy agencies, and State Vocational Rehabilitation agencies all refer ticket holders for information and support.

Individuals with disabilities are actively involved in the delivery of benefits planning and assistance services. Approximately half of the 400 benefits specialists working in BPAO programs are individuals with disabilities. Many of these individuals have personal experience with SSA disability programs. Individuals with disabilities, serving in paid professional positions, are using their knowledge, skill, and personal experience to assist other persons with disabilities to navigate the maze of SSA work incentives and regulations to obtain employment and maximize their economic self-sufficiency.

The national BPAO initiative is a major component of a multi-faceted effort by Congress and SSA to improve services to beneficiaries. Congress and SSA have developed and launched a network of services and support structures that have enhanced the overall efficiency and responsiveness of the agency. The BPAO

initiative allows beneficiaries to get their questions answered by a trained professional without the fear of losing their cash benefits, medical benefits and experiencing further financial barriers. At the same time, a cadre of Employment Support Representatives, working inside the agency, are indispensable for the success of the overall reform initiative. ESRs provide crucial access to information and guidance to BPAOs on cases, thereby making the BPAOs more effective. BPAOs need an SSA "insider" with significant work incentives knowledge to assist with developing work CDRs. Employment Support Representatives provide support to benefits specialists, as well as provide direct service to beneficiaries. In addition, the Modernized Return to Work system, currently being implemented all across the country, has automated and vastly improved the exchange of information between SSA and the BPAOs.

Challenges

The national BPAO initiative began during a time of tremendous change in the disability benefit programs. The launch of the Ticket to Work program, the creation of Medicaid buy-in programs, the implementation of enhanced work incentives in the TWWIA, and the establishment of the Employment Support Representative pilot all contributed to a spirit of innovation and reform. At the same time, the speed at which these changes occurred created significant challenges for the BPAO program. Several of these are summarized below.

The national BPAO initiative lacks sufficient capacity to adequately meet current and future demand. The number of beneficiaries requesting services has overwhelmed a large number of local BPAOs. The problem is particularly acute for BPAOs in ticket rollout states, and programs in rural areas where extensive travel reduces potential service time. As a result, a significant number of BPAOs are curtailing their outreach efforts, so that they do not create a demand that cannot be met. With aggressive marketing efforts, many programs indicate they could substantially increase the number of beneficiaries served. The following examples illustrate the current situation.

- In northern California, Legal Services of Northern California is attempting to serve 87,000 individuals in 19 counties in and around Sacramento with just three benefits specialists.
- Beneficiaries in Plano, Texas are served by the West Texas and Panhandle Benefits Planning Services project in Odessa, a full seven hours away. In this project, one benefits specialist is attempting to serve a catchment area of 38,000 beneficiaries who live in 59 counties.
- MCIL in Baltimore serves a catchment area of over 50,000 beneficiaries with 2.5 benefits specialists. The project has served over 500 beneficiaries since its inception and is struggling to handle its current caseload. They have limited their outreach activities for fear they could not adequately respond to the resulting referrals.
- In Arizona, six benefits specialists have served over 1,000 beneficiaries across the entire state. In northern Arizona, 1.5 staff members serve 59,000 square miles from the Navajo reservation to Lake Havasu.
- In Austin, Texas, four staff from the Austin Resource Center for Independent Living are attempting to serve a catchment area of 119,000 individuals spread across 58 counties. Beneficiaries frequently wait two weeks to meet with a benefits specialist, as each specialist is responsible for serving anywhere from 11 to 15 counties.
- In Los Angeles, beneficiaries are experiencing delays of seven to ten business days before seeing a benefits specialist. Goodwill Industries of Southern California and AIDS Project Los Angeles have served over 700 individuals, many of whom have significant cognitive or psychiatric disabilities that require an extensive amount of service, with just four benefits specialists.

Youth are currently not significantly represented in the population served by the Program. Indeed, less than eight percent of beneficiaries receiving services from local BPAOs are under the age of 22. At one level this is understandable, as current implementation efforts have focused on assisting in the rollout of the ticket program. However, the challenges faced by transition-aged beneficiaries are unique, and specific work incentives have been developed to assist them in their employment efforts. Future BPAO outreach activities should focus on contacting and serving adolescents and young adults.

For many BPAOs, staff turnover is becoming a serious issue. Stability of direct service staff is essential to the success of a local BPAO, or any human service program. Unfortunately, for an increasing number of BPAOs, staff turnover has become a significant problem. The role of a benefits specialist is a brand new professional position in many states, and some degree of turnover should be expected in

any new initiative. However, in some instances staff turnover is resulting from a disparity in salary structures in the various systems that employ benefits specialists. Specifically, specialists working in independent living centers and non-profit community organizations are leaving to take similar positions in State Vocational Rehabilitation agencies, universities, or Department of Labor settings. Retaining skilled, experienced benefits specialists may remain a significant problem for small BPAO programs for the foreseeable future.

Section II:

Role of BPAOs in the Implementation of the Ticket to Work Program

The national BPAO initiative is crucial to the successful implementation of the Ticket to Work program. The vast majority of Employment Networks have little knowledge of SSA benefit programs and applicable work incentive provisions. Many ENs are “non-traditional” providers who may be working with SSA beneficiaries for the first time and encountering the complex array of rules and procedures with little knowledge or support.

Similarly, State Vocational Rehabilitation (VR) agencies in the initial rollout states and the Project Manager are ill equipped to adequately address questions being asked by ticket holders. Responding to hundreds of inquiries when tickets are mailed, State VR agencies simply lack the resources and trained staff to answer questions about benefit changes, health care coverage, and eligibility for other programs. Most local VR counselors possess little more than basic knowledge of work incentives and are unable to provide accurate and complete information. The Project Manager, faced with receiving tens of thousands of inquiries annually, is not staffed to provide lengthy, detailed information to each individual ticket holder.

Without this information, ticket holders will justifiably be reluctant to jeopardize crucial financial and health care benefits and assign their ticket to an EN. Local BPAO programs have stepped forward to meet this need in the initial rollout states. For example:

- Gulfstream Goodwill in West Palm Beach, Florida has responded to over 500 individuals who have contacted the program inquiring about the use of their ticket. Ticket holders make up over half of the 900 individuals served by the agency's BPAO since program inception. While keeping the BPAO and EN components of the agency separate, Gulfstream Goodwill has nevertheless been able to provide timely and accurate information to ticket holders that can aid beneficiaries in decision-making.
- The Ticket to Work Coordinator in the Arizona Rehabilitation Services Administration has received over 900 telephone inquiries since the ticket rollout began in his state. After explaining the role of the State VR agency, the Coordinator refers the ticket holder to the BPAO organization for an explanation of the ticket program and a detailed analysis of the impact of program participation on an individual's income and health care. Interested ticket holders then contact their local VR office to assign their ticket.
- An Oklahoma benefits specialist reports receiving several calls from an SSI recipient who had been told by an agency involved in ticket implementation that he could earn up to \$560 without his benefit being reduced. Her message to others in her region, “If you are getting ready to be a Ticket state get ready to undo a lot of damage!”
- In Oregon, the Oregon Vocational Rehabilitation Services staff member who screens Ticket to Work calls explains program features and goals, but refers all callers to the local BPAO to address specific benefit and work incentive questions. However, available BPAO resources in the state make it difficult to consistently respond in a timely manner and a number of ticket holders have experienced significant waits for BPAO services.
- In Florida, Oklahoma, Arizona and other states, ENs and BPAOs are implementing innovative strategies to maximize the availability of BPAO services. BPAO staff are attending and participating in orientations sponsored by ENs that are conducted for interested ticket holders. In this way, the ENs and BPAOs are attempting to make sure that beneficiaries have all necessary information before beginning the ticket assignment process.
- The Houston Center for Independent Living has already begun to educate and inform the Houston community about the upcoming ticket rollout. The Center, which serves 13 counties and 12,500 square miles, estimate that the workload for each of the four current benefits specialists will double when the ticket program is launched in Texas in 2003.

Section III:

Recommendations for Improving the National BPAO Initiative

It's about trust. If beneficiaries are to accept personal responsibility for their careers and their economic self-sufficiency, they have to be able to trust the information they receive and the service providers that assist them. If a beneficiary is told that employment will affect his or her benefit in a certain manner, they have to be able to trust and act on that information. If individuals with diabetes, epilepsy or a psychiatric disability are told that they will still have access to health care coverage even though they no longer receive a cash benefit from SSA, they must be able to depend on this information, as erroneous information may literally put them in a potentially life threatening situation. If an individual complies with all SSA regulations and reporting requirements and SSA fails to accurately apply that reporting information to the individual's case, the resulting overpayment can have a catastrophic and disheartening effect on even the most courageous and patient beneficiary. The following examples illustrate these concerns.

- Staff from Project ABIL in Phoenix, Arizona report talking to many individuals who have received conflicting and sometimes inaccurate information from the Project Manager, VR, SSA, and ENs. This confusion increases fear and causes concerns among individuals bravely attempting to return to work.
- One benefit specialist in south Florida, discussing the advantages of the BPAO, stated, "Beneficiaries are able to ask questions of a BPAO benefits specialist that they are simply afraid to ask Social Security."
- In Los Angeles, Goodwill Industries of Southern California describe a number of consumers who have stopped working while on benefits because of substantial overpayment situations, many of which are due to improper SSA record keeping or insufficient knowledge of how to report and keep track of earned income.
- In western Kentucky, staff from the Center for Accessible Living report that beneficiaries have responded positively to the simple fact that accommodations such as sign language interpreters are provided by the BPAO project upon requests. Many beneficiaries have noted they have not been provided accommodations at the SSA office even when requested.
- The Sheperd Center in Atlanta has served over 400 beneficiaries throughout the metropolitan Atlanta area, including Fayette, Henry, and Clayton counties. Sheperd Center staff report dozens of instances in which beneficiaries accurately report earnings to SSA, yet these reports are not acted upon, resulting in significant overpayments to beneficiaries and loss of trust in SSA. Center staff is relying on assistance from the local SSA public affairs specialist to work up and resolve the cases.
- In Los Angeles County, most beneficiaries contacting Familia Unida have language and cultural barriers that affect their communication with SSA. Most of these individuals are afraid to call the SSA office and are not clear about the information they have received.

We need to learn from the lessons of welfare reform. Beneficiaries need to know and understand the rules, and have them consistently interpreted and applied, in order to fulfill their own responsibilities under the program and accept responsibility for their economic self-sufficiency. The national BPAO initiative, if effectively implemented, is an essential component of Congressional efforts to include individuals with disabilities in our nation's workforce. To this end, five recommendations are offered.

Congress should expand the network of local BPAO projects to meet existing demand for the service and adequately serve beneficiaries attempting to participate in the Ticket to Work program. The BPAO program simply lacks the capacity to respond to the overwhelming demand for services. In some instances, BPAOs have been forced to make beneficiaries wait up to two weeks for initial appointments. In other communities, BPAOs have sharply curtailed outreach activities so that they don't create a demand that they just can't meet. BPAOs estimate that when the ticket program is rolled out across the nation, benefits specialists' caseloads will double. Additional program capacity will enable BPAOs to address current and future demand. In addition, enhanced program capacity would allow BPAOs to increase marketing activities that would allow thousands of individuals, who now feel that they are incapable of employment, to test their abilities without jeopardizing their livelihood.

SSA should work with the Project Manager, State Vocational Rehabilitation agencies, and Employment Networks to insure that benefits planning and assistance supports are available to beneficiaries early in the Ticket

to Work process. When a beneficiary contacts the Project Manager, he or she should receive information about the availability of BPAO services in the local area, as well as the type of services provided by BPAOs. Clear policies should be developed regarding the extent to which Project Manager staff members should provide work incentive information to beneficiaries. Similarly, State Vocational Rehabilitation agencies should provide information about BPAOs to the hundreds of beneficiaries who contact them during the initial stages of ticket rollout. Technical assistance should be provided to local Employment Networks so that they understand the importance of BPAO services and assist potential ticket holders to access the service.

Efforts to improve the overall capability of SSA to effectively and responsibly serve disability beneficiaries should be maintained and expanded. BPAOs operate independently of SSA, but not in isolation from the agency. The piloting of the Employment Support Representative position, the creation of the Modernized Return to Work (MRTW) software, continued training for field office staff, and efforts to collaborate with State Protection and Advocacy agencies are all strategies that support the BPAOs and improve service to beneficiaries. The Employment Support Representative program should continue and be expanded. The MRTW automation efforts should be immediately implemented nationwide.

SSA should begin now to evaluate the effectiveness of the national BPAO initiative. SSA plans to initiate a consumer satisfaction survey of beneficiaries who have received BPAO services in the near future. In addition to consumer satisfaction, SSA should plan and implement an impact evaluation of the BPAO program. The resulting information can be used to determine the effect of BPAO services on beneficiary employment and earnings, as well as the cost-effectiveness of the program.

SSA's national BPAO initiative should coordinate its activities with other programs and agencies providing benefits planning and assistance services. In addition to BPAOs, benefits planning and assistance services are being supported by the Center for Medicaid and Medicare Services, the Department of Labor, the Rehabilitation Services Administration and other funding agencies. SSA should coordinate training, evaluation and quality assurance activities with its Federal partners to insure that these efforts maximize combined program capacity and increase long-term program stability.

Section IV:

Benefits Planning, Assistance and Outreach Summary

Results from the National BPAO Data System

Nationally, 116 organizations, 156 sites, 400 benefit specialists, and 27,502 beneficiary recipients participated in the BPAO Program between March 1, 2001 and July 31, 2002. An organization, defined as the primary BPAO awardee, is an entity or agency that has directly entered into a cooperative agreement with SSA to provide benefits, planning, assistance, and outreach services to beneficiaries. An organization may be providing all BPAO services directly, or may have established agreements with subcontractors to assist with service delivery. Each organization can have one or multiple sites, a decision that is dependent upon physical location and data partitioning preferences.

Many different types of organizations are providing BPAO services. Centers for Independent Living (CILs) are providing services in 53 communities, accounting for nearly half of all BPAO organizations. Non-profit communities organizations, ranging from Goodwill Industries to mental health centers, provide services in 21 locations. State Vocational Rehabilitation (VR) agencies operate BPAO programs in 18 states. Other BPAO organizations include advocacy organizations (e.g. United Cerebral Palsy), universities, and legal aid agencies (including Protection and Advocacy organizations).

Organization	Frequency	Percent
Independent Living Centers	53	45.7
Non-Profit Community Organizations	21	18.1
State Vocational Rehabilitation and Legal Aid Organizations	18	15.5
Advocacy Organizations	10	8.6
Universities and State Agencies	9	7.8
Legal Aid Organizations (including Protection and Advocacy)	5	4.3
Total	116	100

Many of the 116 organizations provide their services at a single site. In many instances staff based at the site may travel locally, or in some instances across large geographic areas, to meet and serve beneficiaries. In other instances, in order to adequately serve its specified catchment area, a project may establish multiple sites across a region or an entire state. At the present time, 156 sites are represented across the 116 organizations.

At the present time 400 benefits specialists are submitting data into the VCU BPAO database. Approximately half of these benefits specialists are individuals with disabilities, many of whom have personal experience with the SSA disability programs. This is a key feature of SSA BPAO program. Individuals with disabilities, serving in paid professional positions, are using their knowledge, skill, and personal experience to assist other persons with disabilities to navigate the maze of SSA work incentives and regulations to obtain employment and maximize their economic self-sufficiency.

The Benefits Assistance Resource Center at Virginia Commonwealth University maintains a uniform data management system was developed that allowed BPAO contractors to submit, revise, and aggregate information on their clientele via web-based forms. The National BPAO Data System collects information on:

- Beneficiary Name
- Social Security Number
- Address
- Age
- Sex
- Type of Disability
- Current Benefits Received
- Current Employment Status
- Reasons for Contacting the BPAO
- Types of Services Delivered
- Work Incentives and Provisions Discussed with Beneficiary
- Amount of Time Required to Assist Beneficiary

This national reporting effort is being used to gather information that documents the degree to which the BPAO Program is achieving the outcomes intended by Congress when it established the program as a key component of the Ticket to Work and Work Incentives Improvement Act. The program continues to expand rapidly, providing an array of services to SSDI and SSI beneficiaries that will ultimately enable an increasingly diverse population of people with disabilities to fulfill their goals of returning to work and achieving self-sufficiency.

Total Number of Beneficiaries Serviced in the BPAO Program

The data reported below reflects the experiences of 27,502 beneficiaries who received services through the 116 organizations on or before July 31, 2002, based on information submitted to the national BPAO data system maintained by Virginia Commonwealth University. To better understand the activities of the local projects, beneficiaries are grouped based upon the level of services received. One group consists of 14,044 beneficiaries (51%) who receive only **Information and Referral and/or Problem Solving and Advocacy** services. The second group (49%) includes 13,458 persons who received "Benefits Analysis and Advisement," "Benefits Support

Planning,” and/or “Benefits Management” and is referred to as individuals who receive *Intensive Benefit Support*. As illustrated in the table below, SSDI and concurrent beneficiaries are significantly more likely to receive Intensive Benefit Support services than SSI recipients.

Benefit Status by Type of Service

Benefit Status	I & R/Problem Solving	Intensive Benefit Support
SSI	33.8	30.4
SSDI	43.5	48.3
Concurrent SSI/SSDI	14.6	20.0

The number of beneficiaries served by the BPAO Program and the intensity of services provided varies greatly by state, as the following table reveals. This information should be interpreted carefully. The state-by-state data presented in the table below does not reflect services provided but not reported to the VCU database, services provided by other funding sources, or services provided or reported since July 31, 2002.

Persons Served in BPAO Programs March 1, 2001—July 31, 2002

State	I & R/Problem Solving			Intensive Benefit Support			Total
	SSI	SSDI	Concurrent	SSI	SSDI	Concurrent	
AK	1	0	0	6	18	7	32
AL	129	94	47	46	65	29	410
AR	116	186	61	29	46	26	464
AZ	156	383	69	76	167	51	902
CA	639	380	298	305	319	282	2223
CO	37	71	11	63	119	39	340
CT	16	67	12	59	168	37	359
DC	17	6	4	1	1	3	32
DE	5	15	1	25	77	11	134
FL	494	946	207	363	687	236	2933
GA	73	85	33	97	159	63	510
HI	15	6	2	0	1	0	24
IA	33	32	12	27	22	11	137
ID	37	14	18	53	52	28	202
IL	113	163	36	39	81	16	448
IN	59	90	30	111	233	43	566
KS	4	25	5	8	24	14	80
KY	108	144	44	104	167	95	662
LA	204	188	67	124	94	49	726
MA	75	76	26	244	432	211	1064
MD	25	47	7	43	84	23	229
ME	46	56	30	63	106	45	346
MI	115	172	42	89	115	48	581

**Persons Served in BPAO Programs March 1, 2001—July 31, 2002—
Continued**

State	I & R/Problem Solving			Intensive Benefit Support			Total
	SSI	SSDI	Concurrent	SSI	SSDI	Concurrent	
MN	23	54	24	7	15	12	135
MO	119	183	55	146	289	123	915
MS	228	195	78	35	48	22	606
MT	5	8	4	10	6	5	38
NC	176	273	103	164	325	148	1189
ND	8	17	3	7	2	1	38
NE	15	36	13	0	11	4	79
NH	2	5	3	14	37	11	72
NJ	40	66	20	68	126	35	355
NM	23	29	7	39	52	21	171
NV	19	39	12	7	6	4	87
NY	418	435	184	299	230	158	1724
OH	126	109	36	368	638	218	1495
OK	47	62	25	28	90	19	271
OR	63	130	29	4	18	5	249
PA	96	124	38	296	390	169	1113
PR	2	4	0	2	34	0	42
RI	13	50	13	32	8	24	140
SC	144	170	54	63	116	44	591
SD	14	45	11	3	19	5	97
TN	47	65	23	36	67	23	261
TX	299	344	123	242	353	96	1457
UT	89	113	40	3	13	7	265
VA	103	100	29	16	29	15	292
VT	7	5	4	7	2	4	29
WA	58	126	26	30	86	18	344
WI	33	55	17	55	121	64	345
WV	19	23	10	131	126	69	378
WY	1	2	0	2	6	3	14

Intensive Benefit Support Recipients

Age—The vast majority of individuals receiving Intensive Benefits Support services are between the ages of 20 and 59, with less than 10 percent falling either above or below this range. Both sexes were represented equally.

Age of Intensive Benefit Support Recipients

Age	Percentage
Under 22	7.4
23to 39	38.3
40to 59	50.3
Over 60	4.0
Total	100

Primary Disability—BPAOs serve individuals with a wide variety of both physical and mental disabilities. The two most common primary disabilities reported for beneficiaries receiving intensive benefit support were mental/emotional disorders and system diseases, such as neurological, endocrine, respiratory and circulatory systems. These two categories jointly account for more than half of all beneficiaries receiving Intensive Benefit Support. The categories reported least often are traumatic brain injury, sensory impairments, and infectious diseases. Just over seven percent of all intensive benefit support recipients reported having some sort of special language consideration, such as the use of sign language or English as a second language.

Primary Disability of Intensive Benefit Support Recipients

Primary Disability	Percentage
Mental and Emotional Disorders	38.2
System Diseases (e.g. nervous, endocrine, cardiac, etc.)	15.7
Cognitive Disabilities (Mental Retardation)	12.0
Non-Spinal Cord Orthopedic Disabilities/Amputations	11.6
Spinal Cord Injury	5.4
Blind or Visual Impairment	5.1
Traumatic Brain Injury	4.1
Hearing, Speech, and other Sensory Impairments	2.9
Infectious Diseases	2.2
Other	2.3
Unknown	0.5
Total	100

Employment Status—More than 90 percent of those individuals who receive intensive benefit support through the BPAO Program are either employed or in the process of seeking employment. Most are currently not working, but have a desire to change their employment status. Slightly more than half indicate that they were not employed, but are actively seeking employment, and nearly 30 percent are currently employed part-time, working less than 30 hours a week. Less than six percent of intensive benefit support beneficiaries were employed full-time, working 30 or more hours a week.

Current Employment Status of Intensive Benefit Support Recipients

Employment Status	Percentage
Employed Full-Time	5.8
Employed Part-Time	29.3
Not Employed, Seeking Employment	55.7
Not Employed, Not Seeking Employment	9.2
Total	100

Reasons for Contacting BPAO—Nearly 75 percent of beneficiaries have requested services in direct response to the outreach efforts of the BPAO Program. Having an interest in examining new or expanded work options is another relatively common reason for seeking services, cited by over 40 percent of individuals receiving Intensive Benefit Support. Approximately nine percent of beneficiary recipients indicate that communication from SSA led them to request services. Eight percent of total recipients indicate that they sought services in response to Ticket to Work communications from SSA; this finding must be interpreted with caution, however, since of the 27,502 total beneficiaries, only 9,583 were in the 13 states included in the first phase of implementation of the Ticket to Work Program.

Types of Services Provided—Services providing by local BPAO programs are classified into five distinct service categories to facilitate comparison and communication across programs. Services most often delivered to the Intense Benefit Services group are “Benefits Analysis and Advisement,” during which the benefit specialist may assess the potential impacts of employment or other changes on the person’s financial well being and develop an outline of available options and projected outcomes. “Information and Referral,” which involves providing basic written and verbal information in response to inquiries about benefit program, and referral to government agencies or other resources, has been provided to 80% of beneficiaries. The service category least frequently provided to this group was “Benefits Management,” although the nature of this category, which involves the provision of ongoing, comprehensive benefits monitoring and management assistance to those beneficiaries who are likely to experience dramatic life changes, makes it critical to those individuals who do receive it.

Services Delivered to Persons Receiving Intensive Benefit Supports

Service	Percentage
Information and Referral	80.5
Problem Solving and Advocacy	43.4
Benefits Analysis and Advisement	94.8
Benefits Support Planning	32.6
Benefits Management	10.9

Amount of Services Provided—The amount of services provided to individuals varies significantly. About a quarter of beneficiaries receive one hour or less of services, and nearly half receive between two and four hours, with an average service time of about 3.4 hours. Nearly a quarter of beneficiaries received more than five hours of service; however, only about five percent received more than 10 hours. Individuals with mental and emotional disorders, and currently unemployed individuals seeking to obtain employment tend to receive the largest amount of services.

Amount of Services Provided to Persons Receiving Intensive Benefit Supports

Amount	Percentage
Less than 1 hour	12.5
1 hour	16.2
2 hours	23.2
3 hours	16.1
4 hours	9.7
5–9 hours	17.0
More than 10 hours	5.3
Total	100

Intensive Benefit Support Recipients Grouped by SSA Benefit Status

In addition to the findings above, it is useful to compare the experiences of beneficiaries receiving Intensive Benefit Support on the basis of whether they receive SSI only (n = 4089), SSDI only, (n = 6500), or Concurrent SSI and SSDI (n = 2694). Nearly 90 percent of those receiving SSI or concurrent SSI/SSDI and just over 30 percent of those receiving SSDI are currently utilizing Medicaid. SSDI beneficiaries are more likely to receive private health insurance (although coverage is quite low in absolute terms), and less likely than the other two groups to currently receive subsidized housing or food stamps.

Other Benefits Received by SSA Benefit Status

Current Benefit	Percentage	SSDI Percentage	Concurrent Percentage
Medicare	4.8	77.0	81.0
Medicaid	87.9	32.4	89.7
Private Health Insurance	3.3	11.2	2.2
Subsidized Housing	19.5	11.4	24.7
Food Stamps	27.8	12.3	30.9
TANF	3.1	0.3	2.2
Workers Compensation	0	0.8	0
Unemployment Insurance	0.3	0.5	0.2
Veterans Benefit	0.5	2.3	0.5
Other	6.3	9.6	5.9

Current Employment Status—The current employment status of the recipients did not appear to vary much across the three benefit categories; type of benefit does not appear to predict employment status among the individuals served by the BPAO Program. Across all three groups, more than half of the intensive benefit support recipients were not currently employed, but actively seeking employment.

Current Employment Status by SSA Benefit Status

Employment Status	SSI Percentage	SSDI Percentage	Concurrent Percentage
Employed Full-Time	5.9	6.3	4.3
Employed Part-Time	30.3	28.5	30.2
Not Employed, Seeking Employment	55.5	56.1	55.5
Not Employed, Not Seeking Employment	8.2	9.1	9.9
No Response	0.1	0.0	0.1

Work Incentives Recommended for Consideration—While benefit specialists are not responsible for recommending a specific course of action to beneficiaries, they do describe work incentives and provisions that are available to particular individual, fully discussing the requirements of and possible ramifications of each.

The incentives and provisions that described by specialists as options for beneficiaries to pursue vary across current benefit status, consistent with expectations. A Trial Work Period, which provides an opportunity for beneficiaries to test work skills while maintaining benefits, has been discussed with nearly 80 percent of SSDI and concurrent beneficiaries, and a subsequent Extended Period of Eligibility has been described to about three quarters of these individuals. A Plan for Achieving Self Support was presented to roughly a third of SSI and concurrent recipients and to 16 percent of SSDI beneficiaries. Impairment Related Work Expenses were presented to about half of all intensive benefit support recipients, regardless of benefit status.

Section 1619(a) has been presented to about a third of SSI and concurrent recipients, and 1619(b) has been discussed with nearly two thirds of SSI and concurrent recipients. The Medicaid Buy-In program was slightly less likely to be presented as an option for SSDI beneficiaries than for either of the other two groups. Extended Medicare has been presented to approximately a third of concurrent beneficiaries and to a slightly greater proportion of SSDI beneficiaries, while the opposite trend was true for Subsidy Development.

The incentives presented as options least frequently overall were Blind Work Expense and Student Earned Income Exclusion, reflecting the demographic characteristics of the individuals currently served by the BPAO Program. Indeed, the data must be examined within the context of the appropriate subgroups to provide a more accurate understanding of the extent to which these incentives are indicated to beneficiaries. Student Earned Income Exclusion was indicated for 30 percent of the 989 intensive benefit services youth under the age of 22, and Blind Work Expense was indicated for over half of the 680 individuals with visual disabilities who received intensive benefit services.

Work Incentives Discussed with Beneficiary by SSA Benefits Status

Incentive	SSI	SSDI	Concurrent
TWP	0	79.6	78.6
EPE	0	76.0	74.7
PASS	32.7	15.8	36.3
IRWE	47.5	49.4	52.4
1619(a)	41.7	0	34.2
1619(b)	71.0	0	68.1
Medicaid Buy-In	14.2	17.4	15.8
Blind Work Expense	3.7	0	3.3
Student Earned Income Exclusion	6.6	0	2.8
Subsidy Development	0	17.4	20.2
Extended Medicare	0	39.0	34.2

Other Provisions—Continuing Disability Review Protections are discussed as an option for a slightly higher proportion of concurrent and SSDI beneficiaries than for SSI beneficiaries, Expedited Reinstatement of Benefits were less likely to be presented to SSI recipients than to the other two groups, and the provision of Property Essential to Self Support was least likely to be presented to SSDI beneficiaries, although the overall trends were very similar across all three benefits groups.

Other Provisions Discussed with Beneficiary by SSA Benefit Status

Provision	SSI	SSDI	Concurrent
Property Essential to Self Support	6.3	4.3	6.1
Expedited Reinstatement of Benefits	17.0	26.4	26.1
Continuing Disability Review Protections	13.0	16.7	17.3
Section 301	5.0	5.1	6.5
Unsuccessful Work Attempt	0	11.5	13.3

Anticipated Change in Employment Status—The overall patterns of anticipated employment status change are consistent across the three groups; however, there are a few minor differences. Over half of the beneficiaries in each group anticipated that they would be seeking a new or supplemental job in the future. A similar pattern was found for intention to use the Ticket to Work Program to seek a new or supplemental job. A smaller proportion of SSDI beneficiaries indicated that they intended to pursue education/training than was true for the other two groups. Less than two percent of all intensive benefit services recipients sought planning assistance due to an intention to cease employment or decrease work hours. It appears that individuals receiving Intensive Benefits Support clearly intend to enter employment or improve their employment situation, regardless of the type of benefit they presently receive from SSA.

Anticipated Employment Status Change by SSA Benefit Status

Status Change	SSI	SSDI	Concurrent
Intends to seek new job or supplemental job	54.6	55.2	55.7
Intends to increase work hours in current job	8.4	7.4	7.8
Intends to cease employment	0.3	0.3	0.3
Intends to decrease work hours in current job	0.6	1.1	0.8
Does not intend to change current employment status	16.8	16.7	15.7
Made no decision	19.3	19.1	19.0
Intends to pursue education or training	25.8	21.2	27.0
No Response	0.1	0.2	0.9

Amount of Services Provided—In terms of the amount of services provided to Intensive Benefit Support recipients, SSI recipients are slightly more likely to receive less than one hour of service, while concurrent beneficiaries are least likely to receive less than one hour of service. Not surprisingly, concurrent beneficiaries are likely to receive more services than the other two groups. Mean service hours are 2.6 for the SSI group, 2.8 for the SSDI group, and 2.9 for the concurrent beneficiary group.

Amount of Services by SSA Benefit Status

Amount	SSI	SSDI	Concurrent
Less than 1 hour	14.8	12.1	10.3
1 hour	18.8	15.4	14.2
2 hours	22.6	23.6	23.2
3 hours	16.0	16.1	16.1
4 hours	9.3	10.2	9.3
5–9 hours	14.5	17.5	19.7
More than 10 hours	4.0	5.2	7.4

Information and Referral/Problem Solving Recipients

The second major category of beneficiaries served by the BPAO Program includes 14,044 individuals receiving “Information and Referral” and/or “Problem Solving” only. In this group, virtually all beneficiaries receive information and referral services, and approximately a quarter also receive problem solving and advocacy services. Nearly half of these individuals receive less than one hour of total service. The average service time for this group is 1.3 hours, with less than 14 percent receiving three or more hours.

Individuals in the I & R Problem Solving group receive significantly less service than the Intensive Benefit Support group, primarily due to the nature of the various services included in each. Nearly 70 percent of individuals in the I & R/Problem Solving group receive one hour or less of total service, whereas most of those in the intensive benefit support group receive one hour or more of service, with only 12.5 percent receiving less than one hour.

Amount of Services Provided to Persons Receiving I&R Problem Solving

Amount	Frequency	Percent
Less than 1 hour	6394	45.5
1 hour	3227	23.0
2 hours	2481	17.7
3 hours	901	6.4
4 hours	383	2.7
5-9 hours	499	3.6
More than 10 hours	159	1.1
Total	14,044	100

Due to the less intensive nature of the services received by beneficiaries in this category through the BPAO program, the submission of some of the data collected from this group was not strictly required by the program. Therefore, the data that was obtained may not be completely representative of this group as a whole, and may underestimate the general trends that exist within the group.

Results suggest that the level of support received did not appear to vary based on beneficiary demographics. As in the Intensive Benefit Support group, no differences in sex emerged, and the majority of beneficiaries were between the ages of 20 and 59, with slightly more than 13 percent of I & R/Problem Solving recipients falling above or below this range.

Mental and emotional disorders are indicated as the primary disability by nearly a third of beneficiaries in the I & R/Problem Solving group, followed by system diseases and non-spinal cord disabilities and amputations. The least commonly reported primary disability categories were sensory impairments and infectious diseases. Overall, the pattern of primary disabilities indicated in the I & R/Problem Solving group was very similar to that in the intensive benefit support group. Nearly eight percent of I & R/Problem Solving group reported that they require some sort of special language consideration.

Benefits Received—I & R/Problem Solving recipients received a broad range of benefits. Nearly 80 percent received either SSI or SSDI only, with a smaller percentage receiving concurrent SSI/SSDI. Nearly 90 percent received either Medicaid or Medicare. In terms of other benefits, food stamps and subsidized housing were most common in this group, and Workers Compensation, Veterans Benefit, and unemployment insurance were least common. It is possible that the data below for I & R/Problem Solving recipients underreport the number of individuals receiving SSA benefits; due to the structure of the databases, a small number of cases contain missing data on this element. Data from the intensive benefit support group is repeated in several tables in this section, for the purpose of facilitating comparisons between the two service groups.

Benefits Received by Type of Services

Benefit	I & R/Problem Solving	Intensive Benefit Support
Medicare	40.9	55.1
Medicaid	46.7	60.7
Private Health Insurance	4.6	6.9
Subsidized Housing	8.2	16.5
Food Stamps	12.3	20.8
TANF	1.3	1.6
Workers Compensation	0.9	0.5
Unemployment Insurance	0.4	0.4
Veterans Benefit	0.9	1.4
Other	9.9	8.4

Employment Status—Just over half of all I & R/Problem Solving recipients indicate that they were not currently employed, but seeking employment. Eighteen percent of these individuals were employed part-time, yet only four percent were working full-time. I & R Problem/Solving Recipients are less likely to be employed part-time and far more likely to not be employed and not seeking employment than individuals receiving Intense Benefit Services.

Although over half of the beneficiaries in each of the two categories indicate that they were currently not employed, but seeking employment, a greater proportion of individuals in the Intensive Benefit Support group are currently employed than was true for the I & R/Problem Solving group. This is true for both full and part-time work. The proportion of individuals who are not employed and not seeking employment in the I & R/Problem Solving group is more than twice that of the Intensive Benefit Support group.

Current Employment Status by Type of Service

Status	I&R Problem Solving	Intensive Benefit Support
Employed Full-Time	4.1	5.8
Employed Part-Time	18.1	29.3
Not Employed, Seeking Employment	53.8	55.7
Not Employed, Not Seeking Employment	19.7	9.2

Anticipated Employment Status Change—Individuals in the I & R/Problem Solving group are less likely to be seeking employment when they contact the BPAO. They are more likely to not have made a decision regarding their future employment status. Generally, these individuals are requesting assistance regarding communication from SSA, seeking information about the Ticket to Work program, or asking a specific question about their benefit status.

Anticipated Employment Status Change by Type of Service

Status Change	I&R Problem Solving	Intensive Benefit Support
Intends to seek new job or supplemental job	38.3	55.0
Intends to increase work hours in current job	3.4	7.8
Intends to cease employment	0.4	0.3
Intends to decrease work hours in current job	0.4	0.9
Does not intend to change current employment status	13.3	16.5
Made no decision	43.7	19.3

Work Incentives Recommended for Consideration—A variety of work incentives have been discussed with for the I & R/Problem Solving recipients; a Trial Work Period and subsequent Extended Period of Eligibility were presented most frequently, along with Impairment Related Work Expenses and Section 1619(b). As would be expected, benefits specialists discuss far fewer incentives with individuals receiving I & R/Problem Solving services, since a detailed knowledge of the individual's specific situation is required before the benefits specialist can provide customized information on a range of incentives.

Work Incentives Recommended for Consideration by Type of Service

Incentive	I & R/Problem Solving	Intensive Benefit Support
TWP	35.5	55.6
EPE	32.4	53.1
PASS	16.3	25.0
IRWE	31.2	49.1
1619 (a)	12.6	20.9
1619 (b)	25.0	39.0
Medicaid Buy-In	9.6	16.0
Blind Work Expense	2.5	3.1
Student Earned Income Exclusion	3.0	3.2
Subsidy Development	5.5	15.0
Extended Medicare	15.2	26.2

Ticket to Work Rollout States

Of the 27,502 total beneficiaries, 9,583 (34%) were in the 13 states included in the first phase of implementation of the Ticket to Work Program. Within those states, the Ticket was presented as a provision to 47.2 percent of I & R/Problem Solving beneficiaries and to 42 percent of Intensive Benefit Support beneficiaries. Nearly a third of the I & R/Problem Solving group and just over 20 percent of the Intensive Benefit Support group responded to Ticket to Work communication from SSA as a reason for seeking services from the BPAO Program. Nearly a quarter of the I & R/Problem Solving group and almost 30 percent of the Intensive Benefit

Support group indicated that they intended to use the Ticket program to seek a new or supplemental job.

It seems apparent that in the Ticket to Work impacted BPAO in at least two ways. First, the Ticket program creates a considerable demand for BPAO, accounting for over one third of all beneficiaries accessing BPAO services. Second, large numbers of beneficiaries in these states are indicating a desire to use the Ticket to obtain a new or supplemental job, requiring the BPAO to provide Intensive Benefit Support services.

Chairman SHAW. Thank you. Ms. Satterfield?

**STATEMENT OF MARY SATTERFIELD, PROJECT DIRECTOR,
MAXIMUS PROGRAM MANAGER, TICKET TO WORK AND
SELF-SUFFICIENCY PROGRAM, ALEXANDRIA, VIRGINIA**

Ms. SATTERFIELD. Thank you, Mr. Chairman.

As you know, I represent MAXIMUS, who has the program manager contract with the Social Security Administration to administer the Ticket program. As the Ticket to Work program manager, we function as a trusted agent of the Social Security Administration. They retain program authority. They decide Ticket eligibility, schedule the roll-out phases, schedule the graduated delivery of tickets during the roll-out phases, propose regulations, create and interpret policy, and actually approve the providers who have applied to become Employment Networks.

As the program manager, we actually execute all tasks that are critical to the operation of the program, and that includes serving as a centralized information source, marketing the Ticket to Work program to providers and recruiting them to participate, facilitating that link between the beneficiaries and the Employment Networks, providing training to a variety of stakeholders, developing and maintaining a very secure and a robust information technology system, collecting program data, which we share with the evaluation contractors and Social Security, and reviewing all EN requests for payment.

All aspects of the initial startup for Ticket went very smoothly. This included a very complicated undertaking of a systems link with Social Security Administration, via which we at the Program Manager site, exchange information necessary to the operation of the program with SSA on a daily basis. Additionally, the start-up of the national call center, which has been operational since March of last year, went very smoothly, and to date we have logged over 150,000 calls, the bulk of which were received after the tickets began to go out in February.

We commenced our marketing and recruitment campaign immediately and very aggressively after the release of the first EN request for proposal, back in April of last year. This included in-person meetings, presentations at conferences, exhibits at large disability-related events, targeted mailing, phone call campaigns, e-marketing strategies, and any other method that we could think of that would represent an opportunity for us to get the word out to providers.

Our marketing team makes presentations about Ticket to dozens of different events every month, including the recruitment conferences that we host in conjunction with the administration. To

date we have done over 50 of those, covering the Phase I and Phase II States, and we are planning almost 40 again for next year.

We have made well over 100,000 different marketing contacts to a broad variety of traditional and nontraditional providers throughout the country, including employers and educational institutions.

Although our marketing effort has obviously not been without challenges, we are encouraged by the 542 applications we have received to date, and this includes several providers who have elected to cover all of the States in the country. The Administration has already formed contracts with 438 of those providers, and they are on board as ENs, and the remaining applications are in the review process and should be approved very soon.

Last year our recruitment efforts were particularly hampered by provider dissatisfaction with the proposed payment system, and certainly the more robust payment system that was presented in the final regulations was very positively received, and then additionally the release of tickets that occurred in February also served as a catalyst for this very market-driven program. However, we continue to find that providers remain focused on concerns about sufficient start-up capital, and while there are always various marketing and recruitment challenges that are specific to each State, these financial concerns traverse State boundaries, impairment groups served and affiliations for the providers.

We know this program represents tremendous change for beneficiaries and providers. Transitioning providers from what is a very deeply rooted fee-for-service mindset to the outcome-based concept of the Ticket to Work Program is taking a lot of time. Providers continue to be reluctant to actively participate in the program because they might not be able to afford the up front costs of providing services, or because outcomes are far from certain, or they may have to wait a substantial period before payments based on outcomes will be received.

Ticket is a new way of doing business for them. They must become accustomed to the idea of forming partnerships and sharing risk, as well as receiving clients who have not been prescreened. While beneficiaries have been overwhelmingly optimistic and positive about the opportunity that Ticket presents for them, they too remain fearful of ultimately going off of benefits. Ticket is a mindset change for them as well.

On behalf of the Program Manager and the staff that are working on the project, we are encouraged by early success indicators such as the number of tickets assigned, which is almost 7,500 to date, the number and mix of providers that are participating and the number of payment requests that we have received so far, which is somewhere between 80 to 90. We continue to focus strongly on recruitment and supporting the ongoing needs of both the ENs and the beneficiaries. We thank you for this opportunity to speak with you today.

[The prepared statement of Ms. Satterfield follows:]

Statement of Mary Satterfield, Project Director, MAXIMUS Program Manager, Ticket to Work and Self-Sufficiency Program, Alexandria, Virginia

Program Manager's Briefing on the Ticket to Work Program Implementation

As the Ticket to Work Program Manager, MAXIMUS functions as a trusted agent of the Social Security Administration (SSA). SSA retains Program authority, decides Ticket eligibility, schedules the roll out phases and the graduated delivery of Tickets during each roll out phase, proposes regulations, creates and interprets policy, and approves providers to become Employment Networks (ENs). The Program Manager executes all tasks critical to the *operational* administration of the Program, including:

- Serving as a centralized information source for beneficiaries, Employment Networks (ENs), and the general public, primarily through our nationwide toll-free call center;
- Marketing the Ticket to Work concept to service providers and recruiting them to participate as ENs;
- Facilitating the link between beneficiaries and ENs;
- Providing training to a variety of customers including ENs;
- Developing and maintaining a secure and robust information technology (IT) system;
- Collecting Program data; and
- Reviewing EN requests for payment.

All aspects of the initial start-up for Ticket went very smoothly. This included the complicated undertaking of a systems link with SSA via which we exchange information necessary to the operation of the Program on a daily basis, as well as the start up of the national call center, which has been operational since March 2001. To date we have logged over 150,000 calls, almost 90 percent of which were received after the release of the first Tickets.

We commenced the marketing and recruitment campaign immediately and aggressively after the release of the first EN Request for Proposal (RFP) in April 2001. This included in-person meetings and presentations at conferences, exhibits at large disability related events, targeted mailings, phone call campaigns, e-marketing strategies, and any other method that represented an opportunity. Our Marketing team makes presentations on Ticket to Work at dozens of events every month, including the recruitment conferences MAXIMUS hosts in conjunction with SSA, numbering 50 to date throughout the Phase I and Phase II states, with an additional 35-40 planned for next year. To date, we have made well over 100,000 marketing contacts with a broad array of traditional and nontraditional providers including employers and educational institutions.

Although the marketing effort has not been without challenges, we are encouraged by the 542 applications received from providers, including several providers serving all states. SSA has already contracted with 438 ENs, and the remaining applications are currently in the review pipeline and we expect them to be approved soon.

Last year, recruitment was particularly hampered by provider dissatisfaction with the proposed payment systems. Certainly, the more robust payment system presented in the final regulations was positively received. Additionally, the release of Tickets in February served as a catalyst for this market-driven Program. However, we continue to find that providers remain focused on concerns about sufficient start up capital, and while there are always various marketing and recruitment challenges specific to each state, these financial concerns traverse state boundaries, impairment groups, and affiliations.

We know this Program represents tremendous change for beneficiaries and providers. Transitioning providers from what is a deeply rooted fee-for-service mindset to the outcome-based concept of Ticket to Work is taking time. Providers continue to be reluctant to actively participate in the Program because they may not be able to afford the up front costs of providing employment services, either because outcomes are far from certain or they may have to wait a substantial period of time before payments based on outcomes are received.

Ticket is a new way of doing business for them. They must become accustomed to the idea of forming partnerships and sharing risk, as well as receiving clients who have not been pre-screened. And while beneficiaries have been overwhelmingly optimistic and positive about the opportunity Ticket presents, they remain fearful of ultimately going off benefits. Ticket is a mindset change for them as well.

We are encouraged by early success indicators such as the number of Tickets assigned, the number and mix of providers participating, and the number of payment

requests received. We continue to focus strongly on recruitment and supporting the ongoing needs of both ENs and beneficiaries.

STATEMENT OF CHARLENE DWYER, ED.D., DIVISION ADMINISTRATOR, DIVISION OF VOCATIONAL REHABILITATION, WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT, MADISON, WISCONSIN

Dr. DWYER. Good afternoon. Thank you from Wisconsin.

How did the Ticket roll-out fare? As of last week, we had about 1,200 assignments of tickets in Wisconsin. Wisconsin has the highest percentage of ticket assignments, based on the mailing that was made, of the 13 roll-out States.

I think a more interesting question is how much new interest has been stimulated by the mailing? If we look at who our current customers were at the time of the mailing and how many new customers we generated as a result of the mailing, we can attribute about 300 new customers to the ticket mailing. That is about two-tenths of 1 percent of the mailing.

Where are the Ticket holders in Wisconsin assigning their tickets? We have about 1,200 tickets assigned. Ninety-six percent of those have been assigned them to the Wisconsin VR Agency.

Why such a high percentage of tickets to the VR Agency? Well, in Wisconsin, we know that about 70 percent of the people who have assigned tickets were our current customers when they received the ticket and chose to assign the ticket to us. We also know that we had a very positive response in our call center where we took over 1,000 phone calls, and where we gave a very positive message about the ticket and the benefits of the ticket. We offered benefits counseling to every caller, if they would like to engage in benefits counseling, and we think that drove up the number of ticket assignments as well. As well as the fact that we answered our phones. We did hear that toward the end of the rollout period there were some ENs that weren't answering their phones. We answered every phone call.

We also know that we had EN providers in Wisconsin referring ticket holders to us after they conducted their risk assessment. They just couldn't afford to take the ticket from the caller, and they referred those individuals to us. We told EN's that referrals were fine. We will turn around and buy the services from an EN if the EN is the preferred provider for that individual.

What needs to be improved? We are going to take on the ticket referrals, the higher-risk ticket holders from the EN referrals. We are willing to do that. That is our role and we are willing to serve those individuals. We are a unemployment benefits agency that rolled out under "cost reimbursement." We are going to be moving into an outcome payment system by the end of the year, but right now we are still engaged in cost reimbursement. We would like to know that if we do the job, if we meet the goals, if we help that customer achieve the ticket outcomes, that we can be paid. There are some disconnects in the current final rules that can prevent us from being paid even when the outcome is clearly attached to our services. If the ticket gets moved and another EN places the claim

under a milestone claim, our claim can be trumped. In that case, we get no reimbursement. Under our standard cost reimbursement, we also have no recourse for appeals with SSA.

So, we would like to see some changes in the cost reimbursement system from SSA.

Why is it important? Because last year in a 12-month period, we earned, for our successes, \$1.64 million in SSA cost reimbursement. We took 700 people off of our wait list with those funds. We are a State, as all other States are, that is entering into some very hard economic times at the State budget level. We do know if we are not able to recover for our successes—and I am talking about recovering for the outcome work that we do—that we will have a longer wait list in our State. We have a wait list now, and we anticipate it will get longer.

We believe these outcome payment glitches can be worked out. We would like to continue to focus on the benefits of the Ticket to the Ticket holder and less on cost recovery and assignment of tickets. Thank you.

[The prepared statement of Dr. Dwyer follows:]

Statement of Charlene Dwyer, Ed.D., Division Administrator, Division of Vocational Rehabilitation Wisconsin Department of Workforce Development, Madison, Wisconsin

Thank you for the invitation to share our Ticket to Work rollout experience with you today.

In the next five minutes I'll pose and answer 7 questions to help you understand the impact of the Ticket to Work in Wisconsin from a public agency's perspective.

1. In general, how did the Ticket roll out fare in Wisconsin?

Early measures of success in the roll out are whether Ticket Holders elected to use their Tickets and where they are assigning those Tickets. Another measure is whether the Ticket mailings are stimulating "new" return to work interest among the target group.

As if last week Friday (9/20/02), Maximus reported that with more than 2 million Tickets delivered across 13 roll out states, 6,471 (or .3%) had been assigned.

With .8% of available tickets assigned, Wisconsin is the state with the highest percentage of Ticket assignments of any of the 13 roll out states. (126,449 Tickets mailed; 1,113 assigned in Wisconsin)

2. How much "new" interest has been stimulated by the mailing?

Based on our historical application patterns for the target group and the activity in our Ticket to Work Call Center, about 300 new applications from Ticket holders might be credited to the Ticket mailing. We did hear from some callers that they had never heard of DVR before they received the Ticket mailing. Others had been our customers in the past, but the mailing stimulated their interest in "trying again".

In the big picture of the statewide mailing of over 126,000 Tickets, 300 individuals responding to the point of applying for services and assigning a Ticket equates to a .02% "new business" rate.

3. Where are Ticket Holders assigning their Tickets?

96% (1,069) of the Wisconsin Ticket holders who elected to use their Tickets assigned them to the DVR. As of September 20th, only 44 Tickets were assigned to one of the other 20 ENs serving Wisconsin.

4. Why such a high percentage of Tickets to VR?

Some preliminary answers:

Ticket recipients were already our customers (69% were already working with us prior to receiving their Ticket) or would have become our customers regardless of receiving the Ticket in the mail (SSA recipients were 15.4% of our customer base).

We have 650+ SSA beneficiaries engaged in an SSA work incentive demonstration in our State called "Pathways to Independence". During the past 4 years, the DVR has funded a statewide network of return to work benefits specialists who provided

information on the “added value” features of the Ticket to consumers in our demonstration. We were able to “prime the pump” so to speak in Wisconsin—at least for that demonstration group.

We know that some EN providers have referred Ticket holders to us after they received a request from a Ticket holder and following their outcome payment risk assessment.

The EN decided that either the risk of achieving the outcome, or the cost to serve the individual was too high. In short, based on the current outcome payment system, they couldn’t afford to take the Ticket.

VR is the only Ticket services provider that will not reject a Ticket holder. Wisconsin DVR annually spends \$35–40 million for the purchase of rehabilitation services from the private sector. We have asked our EN partners who decided not to take a Ticket to give a positive message to Ticket holders and send them to us. We can simply buy services from the EN if the Ticket holder wished to receive services from them.

Initial conclusion for Wisconsin VR

In the roll out period, we were very prepared, and have been extremely “underwhelmed” by the response from Ticket holders.

Conversely, we have been somewhat “overwhelmed” by the additional administrative requirements for collecting the Tickets and getting them assigned. Instructions for claiming the Ticket have been “varied and evolving” since January. This has added to the confusion and complexity of getting this program off the ground in our agency.

6. What needs to be improved?

If we are to take on the higher cost and riskier Ticket business that other EN’s refuse—and we are willing to do so—we need a more equitable system of SSA payment. We only want to be paid when we are clearly responsible for assisting Ticket Holders in achieving employment goals that satisfy the Ticket to Work requirements.

Under our traditional “cost reimbursement” recovery—SSA “pays us back” in full for the costs associated with the rehabilitation plan. You might think of these funds as SSA’s community reinvestment funds—or better yet employment reinvestment funds.

In a recent 12-month period we recovered \$1.64 million for our SSA successes—sufficient funding to take 700 people off of our wait list for services!

When we provide successful rehabilitation services under our regular cost reimbursement system, the Ticket works well for us when the consumer

- Decides to use the Ticket and assign it to us
- Decides to assign it to another EN who has an agreement with us (we have many EN agreements and have no qualms about sharing the Ticket challenge and payments with our private sector partners).

The Ticket does not work for us when

- The consumer uses our services, but then assigns the Ticket elsewhere with an EN that has refused an agreement with us, effectively preventing us from claiming any portion of the reimbursement.

Under the final rules, when DVR chooses cost reimbursement,

1. An EN can refuse an agreement arrangement
2. The consumer can reassign the Ticket to an EN that can claim reimbursement after 1 month of SGA activity—under cost reimbursement VR has to wait for 9 months of SGA activity. An EN can “trump” the claim.
3. VR receives \$0 recovery if an EN places the claim first
4. VR has no appeal recourse with SSA.

According to the final regulations—reports from the CBO stated that the Ticket to Work Program would “. . . partially displace the current cost reimbursement program”.

Apparently the final rules are based on “cost savings to SSA” without regard for how the SSA reimbursements are “reinvested” into future rehabilitation efforts for the “next” customer—perhaps someone on a wait list.

7. What would work better for an agency electing the cost reimbursement payment system?

When a VR agency can demonstrate that services provided led to the desired employment outcome, the agency should:

a. be able to submit claims and recover their cost under the traditional cost reimbursement as the stand-alone program it was intended to be—when there is not another EN in the mix.

b. be put on an equal footing with other ENs and be able to appeal a reassigned ticket claim with SSA if the Ticket is reassigned to an EN who refuses an agreement, and the VR services and costs are clearly related to the successful employment outcome.

Why is it important to make these changes in the cost reimbursement system for the VR agencies?

Because of the *reinvestment value* of the SSA cost reimbursement.

Wisconsin currently has a wait list for services. We already have several hundred people and it is growing.

We are facing our next round of very significant state budget reductions (as most states are).

Lost SSA cost reimbursements for our successes *will* mean that our wait list will be longer.

We believe that SSA and RSA can successfully work together to eliminate the major stumbling blocks so that we can concentrate less on Ticket assignment procedures and cost recover glitches and more on selling the benefits of the Ticket to the Ticket holder.

Thank you.

Chairman SHAW. Thank you, Dr. Dwyer. Mr. O'Brien?

**STATEMENT OF DAN O'BRIEN, MPA, PROGRAM MANAGER,
TICKET TO WORK AND COMMUNITY REHABILITATION,
OKLAHOMA DEPARTMENT OF REHABILITATION SERVICES,
OKLAHOMA CITY, OKLAHOMA**

Mr. O'BRIEN. My name is Dan O'Brien. Thank you, Chairman Shaw and Ranking Member Matsui and Members. I am with the Oklahoma Department of Rehabilitation Services. I am the Program Manager for Ticket and Community Rehabilitation.

To give you a sense of what is going on in Oklahoma, we have had just about 100,000 tickets mailed out. We looked at our caseloads before they went out. Eighteen percent of our caseloads were already Social Security customers, which was 4,000 out of 22,000. We have had about 1,500 ticket calls to our ticket hotline. We set up a hotline to make sure there was access to services and the phone would be answered. We have had Outreach meetings at the One-Stops, where we provide work incentive training to the Social Security beneficiaries, so that they understand what will happen to their benefits before they get involved.

I guess we were asked because we are the big user of the milestone payment system, and that is because in 1992 we developed the milestone payment concept for contracting out as a way of risk sharing and improving outcomes. I was a co-designer of the original milestone system. It has been imitated in a lot of States, and I think it was suggested as a way for Employment Networks to be able to take on the risk as opposed to the outcome system, and that is proven to have been the case as, if I am reading it correctly, two out of three of the tickets assigned to Employment Networks are under the milestone system so that they apparently do feel like it obviates the risk to their programs.

I want to just highlight a couple of my comments. The Ticket assignment rate, at this time 6,000 sounds like a lot or 7,000, but that is one-third of 1 percent. Based on our experience and from

what I understand from Social Security you would have to have a multiple of that to get to the goal that Susan Daniels, Martin Gerry's predecessor, set of one-half of 1 percent going off rolls, you would have to have a multiple of one-half of 1 percent assigning their tickets. I think the multiple would be at least 10 to 1. I understand under Social Security existing work incentive programs it is more like 14 to 1, the rate of people who engage in work activity and actually go off benefits. So, that would mean a ticket assignment rate of about 7 percent would be needed to get half of 1 percent off the rolls.

At one-third of 1 percent we have a long way to go. I think that represents some access problems in the system that need addressed, and the two recommendations that I would have from the frontline would be to reduce the penalty—and this mainly affects ENs, other than VR—reduce the penalty for choosing the milestone payment system. The penalty now is a 15 percent penalty. They only accrue 85 percent of the funds that they can under the outcome system. That, in a lot of people's opinion, was intended to discourage use of the milestone system, which from the EN's activity appears to be the one that they think can work. Reduce that penalty to 5 percent instead of 85 percent, and then distribute those funds among the milestone payments not in the outcome payments. That would make a system that would lower the bar for getting in the front door, which is one of the issues with an Employment Network. They have to make a risk assessment whether this person is likely to be paid for.

The other thing is that several people have mentioned—there needs to be a marketing triumvirate: benefits planning, outreach and Employment Support Representatives. Those three pieces, for this to work, have to work in conjunction. I think the outreach, the O in BPAO has not been funded. Actually, the BP hasn't been well funded either. Benefits planning is way inadequately funded, but the outreach part hasn't been funded at all, and that could be done through the one-stops, and Martin Gerry, I think is working on that with the other agencies. That is to be commended.

The zero cash benefits. Making the payments contingent on zero cash benefits I think is a mistake. That makes Social Security beneficiaries with the one for two undesirable customers under the Ticket, and if the one for two is extended to SSDI, it would put the entire Ticket out of business, because right now the research is that SSDI beneficiaries are the only ones that make sense to take a Ticket on because of the cash cliff, because at that point you can be paid. With a one for two write-down, there will be nobody who will be desirable. So, that problem has to be addressed. My suggestion, as a number have suggested is a strategy of partial self-sufficiency, making payments based on a percentage of benefits not payable, not necessarily going to zero benefits. If some benefits aren't payable, a percentage can be paid out.

The roll-out was too aggressive, this will be a particular problem for California. This is going to be a problem. It needs to be stretched out a little bit, either 10 percent a month or 10 percent the first 2 months, 20 percent for 4 additional months. It was the 30 percent and the 40 percent months that really killed us, and it is going to murder California and Texas.

The only other thing, I submitted a statement from Connecticut Rehabilitation. There is a lot of concern about absorbing the reimbursement system into the ticket system. I think that sets up the problem the Chairman asked about earlier, of VR looking at this as antagonistic. If that could be changed, that would reduce that. Thank you.

[The prepared statement of Mr. O'Brien follows:]

Statement of Dan O'Brien, MPA, Program Manager, Ticket to Work and Community Rehabilitation Oklahoma Department of Rehabilitation Services, Oklahoma City, Oklahoma

Chairman Shaw, Ranking Member Matsui and members of the subcommittee, thank you for asking the Oklahoma Department of Rehabilitation Services to share its experience as one of the 13 initial rollout states for the Ticket to Work. My name is Dan O'Brien; I am the Program Manager for the Ticket to Work for the Oklahoma DRS, the State Vocational Rehabilitation and Visual Services Agency.

Oklahoma's Experience with the Ticket—Just the Facts

- Tickets mailed—99,915
- 4,000 existing SSA cases (18% of DRS caseload)
- Ticket Hotline Calls—1456 calls (1.5% of Tickets mailed)
- Outreach/Ticket Orientation Meetings at One Stops—100+
- OK Tickets Officially Assigned as of 9/10/02—462
- About 92% of all OK tickets assigned have gone to VR
- New applications for services from Ticket—150+
- In over 50% of OK DRS Ticket cases Milestone/Outcome payment system was chosen, the remainder are traditional reimbursement.
- OK DRS is the VR leader in Ticket Milestone System, OK DRS had 90% of all VR Agency Milestone Cases nationally on 8/12/02.
- Counselors are recommending the Milestone system be used instead of traditional reimbursement if they determine the beneficiary is not likely to go off benefits or the case cost is projected to be low.
- 90 of 254 Milestone cases had some work activity since Ticket issued, only 13 worked above SGA (14%).
- Milestone claims billable on the 13 beneficiaries working over SGA worth about \$5000 as of 9/23/02.

The Oklahoma Ticket Model (see attachment A)

Oklahoma DRS designed the Milestone Payment system in 1992 as a method for sharing risk and improving service outcomes. It has been widely imitated and was a finalist in the 1997 Kennedy School of Government Innovations in American Government awards. As a result of the success of the Milestone system it was included in the Ticket legislation. In 1998 we were the recipients of a 5 year SSA State Partnership Initiative Grant to pilot an assertive engagement/outreach system for a vocational voucher system.

In 2001 we developed a Ticket implementation model based on our SSA SPI grant assertive engagement/outreach model. The Oklahoma Model involves specially trained outreach staff working through the One Stop system, who conduct work incentive training, make referrals to the BPAO and expedite the application and eligibility.

General Comments and Recommendations:

Comment #1: The low Ticket assignment rate, as of September 2002, $\frac{1}{3}$ of 1%, is a red flag that there may be substantial barriers to service access. In order for the stated goal of $\frac{1}{2}$ of 1% of the Ticket holders to leave the rolls a substantial multiple of that figure will be needed in entries to the program. I have been told that the current ratio of employment effort to exits is 14 to 1, thus at least 7% assignments would be needed. One of the barriers to access is the high level of risk that EN's must accept, the milestones were meant to obviate some of this risk. The 15% reduction in total ticket payments available for the milestone/outcome over the straight outcome payments seems excessive. Another barrier is fear, misunderstanding and mistrust. Assertive engagement and outreach techniques are needed to increase participation.

- **Recommendation #1.1:** Reduce the penalty for choosing the milestone/outcome system from 15% to 5%. Therefore, the total payment for the milestone/

outcome system would be 95% rather than 85% of the total funds available under the outcome only system. In addition invest all of that addition money in increasing the milestone payments. See attachment B for details.

- **Recommendation #1.2:** Fully fund an Outreach effort that has three prongs, the Benefits Planning Grantees (BPAO), the ESR and an Outreach effort that has a local presence in the Comprehensive One Stops. Engage DOL and the One Stop system in funding and implementing an Assertive Outreach effort. See attachment C, for details.

Comment #2: The focus on going off benefits as opposed to a goal of increasing self-sufficiency misses the big savings to SSA. The sole focus on leaving the rolls does not recognize the reality that many SSA beneficiaries take a series of steps, each time increasing their work activity, leading to leaving the rolls over a period of years. An all or nothing strategy makes these customers undesirable to EN's and generally discourages participation from EN's by raising their level of risk unreasonably high. See attachment B for detail.

- **Recommendation #2:** Implement a partial self-sufficiency return to work strategy. Milestone and outcome payments should be paid as a percentage of benefits not payable. When partial cash benefits are paid to the beneficiary, the milestone and outcome payments would be based on a percentage of benefits not payable. For administrative simplicity a two tier payment structure could be implemented, a lower milestone and outcome payment at the Trial Work level and the full milestone and outcome payment at SGA. (See Attachment B).

Administrative Issues:

Comment #3: Rollout schedule was too aggressive—SSA sent Tickets out over 5 months—10% the first month, 20% the third month, 30% the fourth month and 40% the fifth month. The fourth and fifth months were difficult to keep up with phone calls and created a lag in determining eligibility that took several months to clear up.

- **Recommendation #3:** Consider either a ten month 10% per month rollout or a six month rollout, 10% first two months and 20% the last four months. This will allow the larger states particularly Texas and California to manage the increase in applications.

Comment #4: The procedure for confirming whether a Ticket is assignable is cumbersome. OK DRS had about 4,000 SSA beneficiaries on caseloads when the Ticket program began. To confirm whether a Ticket was assignable DRS staff had to call or fax in a list of names to Maximus. Maximus staff initially refused to take lists longer than 20 names. Ultimately DRS staff were told they could no longer fax in lists and had to read hundreds of names to the Maximus staff over the phone. This verbal only system is not a particular burden for an EN building a caseload one client at a time, but for a state agency with thousands of SSA customers it is a huge burden.

- **Recommendation #4:** Allow states to electronically submit lists of existing customers with SSN's before the mail out so that they can be alerted to those who are expected to have a Ticket mailed.

Comment #5: DRS Ticket Unit staff report that some Maximus phone staff are lacking in English proficiency, making the aforementioned hours of phone confirmation take two or three times longer than necessary.

- **Recommendation #5:** Verbal English proficiency should be a requirement for Maximus phone staff.

Concern from Peter Baird, Connecticut Bureau of Rehabilitation Services shared by many of the Rehabilitation State Agencies

We have significant concerns regarding ticket assignment procedures for a "new case." New cases are defined by Social Security as those individuals who sign an IPE after becoming eligible for the ticket. SSA has determined that for a "new case," a State VR Agency will need to have the ticket assigned to receive either cost-reimbursement or one of the new EN outcome payments. (Section 12.2B)) SSA considers the signature on the IPE to be an indication that an individual has decided to use the ticket to obtain services from the State VR Agency. As a result, a State VR agency is allowed to have the ticket assigned to them for a "new case" even when the person does not sign the Ticket Assignment Form. Section 12.10(C) states:

If the beneficiary (or the beneficiary's representative) does not sign the form, submit the unsigned form, with the front (or cover) page and last (or signature) page of the IPE, to MAXIMUS.

We have two concerns regarding the issues above, and are seeking guidance from RSA on these matters.

1) SSA has subsumed the traditional cost-reimbursement system under the Ticket to Work Program for all "new cases." SSA has verbally cited that the basis for this opinion can be found in section 101(b) of The Ticket to Work legislation. We do not believe that this is the intent of the legislation, and we are unaware of any authority SSA has to subsume the cost-reimbursement system under the Ticket to Work Program, thereby making reimbursement contingent upon ticket assignments. We also believe that the provisions allowing for reimbursement for non-ticket holders and for pipeline cases demonstrate that the reimbursement program is in fact separate from the ticket program.

2) We have significant concerns regarding confidentiality. SSA has stated that the Ticket Assignment form and IPE can and should be submitted to Maximus without the consumer's explicit signed consent. We believe that the principles of confidentiality, informed choice and the Ticket legislation's principles of "voluntary assignment" (see Chapter 12.1 (B)) are violated by the assignment of Tickets without a consumer's explicit consent. We do not believe that we have the authority to share the IPE with Maximus without the consumer's explicit consent.

Attachment A.

Oklahoma DRS and Workforce Oklahoma Collaboration on Ticket to Work (aka "THE OKLAHOMA TICKET MODEL")

In Oklahoma, 100,000 SSI/SSDI recipients received a Ticket to Work from the Social Security Administration between February and July 2002. Recipients were instructed to call the program manager, Maximus for Employment Networks in their local area. The DRS asked that Maximus only give out the Ticket Unit toll free number for the OK DRS Ticket Unit (866) 882-4515. The toll free number is staffed by Rehab Technicians who are trained on SSA work incentives by the Benefits Planning Assistance and Outreach contractor (BPAO), the Ticket and VR/VS services. The callers are invited to a Ticket Orientation meeting at the One Stop where detailed work incentive information is presented at the meeting or individually using WorkWorld software at the One Stop. The presentation uses a simple scenario based PowerPoint slide show, developed by OK DRS specifically to answer the two main customer questions "what will happen to my benefits if I go to work" and "how can VR help me accomplish my career goals."

Purpose of the Ticket Unit

- 1) Inform Ticket Holders about VR services and available Work Incentives so that they can make an informed choice to pursue employment.
- 2) Expedite application and eligibility determination for Ticket customers.
- 3) Increase SSA reimbursement by creating follow-along caseloads of closed (26) cases that are eligible for reimbursement or milestone payments from SSA.

Procedure:

1) When the Ticket Holder calls the DRS Ticket Hotline their call will be routed to the Ticket Unit in OKC. They will be offered an opportunity to attend a three-hour orientation session on the Ticket and VR services. One-Stop staff will also invite Ticket holders to the Ticket Orientation sessions who call or come to the center. Sessions are scheduled at all the Comprehensive One-Stops on a regular basis.

2) The Ticket Orientation will cover the Ticket, VR services available and a brief overview of Social Security Work Incentives. The orientation is not required; it is intended as a step in the Ticket holder making an informed choice of employment service provider. Ticket holders who wish to immediately apply for VR services will be directed to the local DRS office.

3) The One-Stop will have Work World available in their resource room. The Work World program allows consumers to enter several work scenarios into the computer and advises them on the use of work incentives.

4) At the end of the presentation consumers will have an opportunity to apply.

5) The Ticket Unit Tech III or the assigned local staff will take an application. The Ticket Unit VR Counselor IV, will review the documentation and determine the customer eligible within 3-5 working days following the application.

6) The case will be referred back to the local counselor after eligibility determination. The home counselor will obtain the Ticket from the beneficiary when the IPE is signed, keep the original and fax a copy to Ticket unit.

7) When the case is moved to an employed status (status 18 for SE and 22 for all others) the Ticket unit will be alerted by ORMIS. After 26 closure a Ticket Unit Tech III will begin tracking the case until all SSA reimbursement is submitted.

Questions: email Dan O'Brien at deobrien@drs.state.ok.us or deobrien@aol.com

Attachment B.

Example of a Ticket Scenario that Addresses a Number of the Equity of Access Issues

Prepared by Dan O'Brien, Ticket Program Manager OK Dept of Rehabilitation Services

Potential Breakeven scenario for SSI recipients

If the intent of the Ticket is to create a breakeven scenario for the SSA then SSI must be considered separately from SSDI, as the baseline assumptions are different. At least until a 2 for 1 work incentive system is in place for SSDI.

Specifically, savings accrue, i.e., some benefits are not payable, from any SSI work activity that exceeds \$85 per month. This allows a breakeven scenario for SSI based on payment of Milestone and Outcome payments as a percentage of the benefits not payable due to work activity.

The chart below reflects a recommendation that the total payments available under the Milestone/Outcome system be increased from 85% to 95% of the Outcome only system. This increases the total payment (2002 figures) available under the Milestone system from \$9,720 currently to \$10,887. The additional \$1167 is distributed evenly among the milestone payments in this example. The payment threshold is set at the Trial Work level, \$560 for 2002, for the first three milestone payments, to allow Ticket holders to work up to SGA. The dual level of Outcome payments recognizes the reality that some beneficiaries will not achieve SGA but SSA will accrue savings. This involves a slightly higher level of risk sharing on the part of SSA but still results in savings to SSA from a partial reduction of benefits scenario rather than the "0" benefits level and overall could lead to substantially higher cumulative savings.

Two payment tiers are envisioned for the two levels of significant work activity recognized and tracked by the Social Security Administration, the Trial Work (TW) level, currently \$560/mo. and the SGA level, currently \$780/mo. For the lower TW level the last Milestone payment would not be paid until achievement of SGA. This withholding of funds would serve as an incentive for EN's to boost work hours to the SGA level at the appropriate time. When a higher level of work activity was achieved an additional Milestone payment would be paid and a higher level of Outcome payments would begin.

With this shift in risk sharing and marketing of "partial self-sufficiency", a reasonable goal would be for 5% of SSI beneficiaries (200,000 of 4 Million) to work part-time at the Trial Work level or above. This level of work activity is generally achieved now in RSA Supported Employment programs that predominantly serve SSA beneficiaries. This work activity level is achievable and would result in a savings to SSA of \$159 per month per worker (\$237-\$78) for a net of \$32 Million per month. This scenario could also apply to SSDI if the 2 for 1 was applied to Title II, as is being considered.

Milestone	Payment Criteria	Payment Threshold	Milestone Payment	Net Benefits not payable	SSA Net loss/gain
Job Placement	1 month work	Earnings of at least \$560 ¹	\$454	\$237	- 217
Job Training Complete	3 months work	Earnings of at least \$560	\$616	\$711	- 359
Integration into Worksite	7 months of work	Earnings of at least \$560/month	\$940	\$1659	- 410
Attainment of SGA	Minimum of 12 mo. work	Earnings in last 5 months at least \$780	\$1102	\$2701	- \$411
Monthly Outcome Payment	Monthly Payment	Monthly Earnings at	Outcome Payment ²	Breakeven Point	After 24 Months
	a) After 7 Mo. Mlstr	a) \$560+/Mo.	a) \$78	a) 10 mo. of work @ \$560	a)+\$2226
	b) After 12 month milestone	b) \$780+/Mo.	b) \$118	b) 14 mo. Work @ \$780+	b)+2295

¹ Trial Work Level for 2002 \$560/mo.

² 34% of benefits not payable

Attachment C.

Assertive Engagement/Outreach of SSA Ticket Holders as a method to increase workforce participation rates

There are troubling signs of service access barriers in the assignment rate of Tickets from the initial rollout states. Less than one-third of 1% of the Tickets mailed out in the first 13 states have been assigned as of September 10, 2002. Part of the rationale for the Ticket program was to give the SSA beneficiary greater access to services through choice of vocational provider beyond the VR system. Assertive Engagement/Outreach may help with this problem.

Key elements of Assertive Engagement/Outreach approach include the staff work in the community in the clients own settings, outreach includes the possibility of home visits, clients are not dropped because they don't take the initiative or miss appointments, contact is frequent even if there is no initial response, staff make use of families and client support systems. Assertive Engagement is a concept borrowed from the Mental Health field. Participation rates in MH treatment were recognized as inadequate, the etiology of the problem could be traced to fear, lack of trust and disengagement in social support systems. Reports indicate that SSA beneficiaries suffer from similar low levels of trust and fear; front line workers report that a common reason given for not using the Ticket is that it is a trick. One of the OK-DRS Ticket Outreach staff, Judi Fretwell, writes of her experience.

“Both in the meetings and on the telephone, I've noticed a high degree of suspicion among most of the attendees but those who have been diagnosed with mental disorders seem almost paralyzed with fear about the program, sometimes to the extent that they can't seem to grasp the idea that it is a voluntary program and that non-participation will not come back to hurt them. Most consumers have been so traumatized by the process they have had to follow to reach the status of SSI or SSDI recipient and have been so man-handled by the system (however they might define it), that any “official”-looking envelope will be immediately put aside as a threat they can't deal with right away. This initial reaction complicated by the very nature of their illness will extend the re-

sponse time far beyond that of those with physical limitations only. Eventually, peer pressure or family pressure or a combination of things will embolden them to call (hurdle number one) but the process is so cumbersome (call Maximus for a list, call the list etc.) that even people with no thought disturbances and those with no depression would find it highly confusing and very discouraging to follow such a "trail of breadcrumbs."

Assertive engagement is a term used for a group of strategies meant to address barriers to service access. Traditional helping systems have developed self-protection strategies that increase barriers to entry as the work load increases. Long periods of unemployment such as many Ticket holders have experienced lower self-esteem and reduce resilience and consequently the Ticket holder's ability to tolerate long waits for services and assertively advocating for their needs.

At least one new barrier to access has been created under the Ticket program. The EN risk assessment, a business requirement for a successful EN, presents a barrier to access and may represent an even higher bar than the access barriers in the public program. The danger is that the Ticket program has only increased the choice of the chosen, those who have good prospects of obtaining and retaining high-income employment. Worse yet it may simply result in payment for those who would have gone to work without help, paying for something that SSA got free last year. Creaming, selection or profiling of the best candidates is implicit in the outcome payment system. The Milestone payment system was included in the Ticket legislation to obviate some of the risk to the EN and lower the threshold for entry into the program. Milestone rates will need to increase in order to reduce EN risk, for an assertive engagement strategy to lead to higher levels of employment, rather than rising rates of rejection.

Assertive engagement involves investing in interactive information delivery through a trusted, objective and stable helper. The beneficiary must have the sense that the information is being provided from their point of view with their interests as a central focus.

The assertive engagement requires multiple outreach efforts through all available means, mail, phone, home visits and third party contact through trusted helpers, advocacy organizations and family members. Consistency and physical availability to meet and answer questions are essential. The goal of assertive engagement is to get the individual in the front door. The front door could be a Ticket holder Orientation session held at an easily accessible location such as a Workforce/One Stop Center. The Orientation session should cover basic work incentives available, the effect of work on benefits and information on available EN's. Ideally the available EN's would be represented at the sessions and be available to take applications after the session. Many of the existing EN's are Workforce Partners and would support this function for the One Stop Centers.

The Benefits Planning Assistance and Outreach (BPAO) grants are a good example of this focus. The benefits planners are independent of the service provider system and SSA and can provide objective information. The BPAO effort is woefully under funded, at \$23 million for the entire country the funding is a fraction of what it should be just for the Benefits Planning portion of their mission. The outreach function has little possibility of being operationalized unless adequate funding is available for the core service of Benefits Planning. A team effort would be ideal that included three components, a Ticket Outreach/Disability Specialist at the Comprehensive One Stops, the BPAO Benefits planner available for difficult cases and the SSA Employment Support Representative to attend the outreach meetings, lend credibility, handle earnings reports and work generated CDR's.

Chairman SHAW. There is a vote on the Floor, and we think we have only got just a few minutes to make that vote, so I am going to recess just a few moments. Mr. Hayworth left early, you note, to go vote, and he will come back and call on Ms. Webb to testify, and then I will return just as quickly as I can too. So, we will recess just for a few moments, don't go far.

[Recess.]

Mr. HAYWORTH. [Presiding.] The Subcommittee will come to order.

If this resembles some sort of power grab, let me assure you, that is not the case. With the generous cooperation and assent of the

minority, and the Chairman, as the vote is going on on the Floor, they asked me to return and resume the Subcommittee hearing, and I am very pleased to do so, because as I understand it, the portion of the hearing picks up with what we might call home cooking.

[Laughter.]

Mr. HAYWORTH. My friends from Arizona, and I welcome our friend, Susan Webb, for her testimony now.

STATEMENT OF SUSAN WEBB, DIRECTOR, ABIL EMPLOYMENT SERVICES, PHOENIX, ARIZONA

Ms. WEBB. Well, Congressman Hayworth, you are going to know everything I have to say.

Mr. HAYWORTH. The important thing, if you would yield, and I thank you, ma'am, the important thing is that our folks here and our friends who join us via C-SPAN will get to know the success that we have experienced in Arizona.

Ms. WEBB. Well, then that is a deal. Thank you for allowing me to come and speak with you today.

As you know, ABIL Employment Services is a participating Employment Network in the Ticket to Work Program, and it is indeed a pleasure to be here today with you. What I want to do is start with a brief overview of our program and our outcome so far. Now that, I haven't spoken to you about, and I think you will be pleased. Then I want to comment on the different elements of the TTWWIIA that have helped us to implement our program. I think that the comments that I am going to make today are actually quite positive about the program. I think there are a number of reasons for that, and I think that many Employment Networks around the country can share in our success if given the same opportunities that we have had.

First of all, we began as part of a Center for Independent Living. We are a 501(c)(3) nonprofit, CIL, authorized by Title VII of the Rehabilitation Act. So, what that means is that we enjoy the infrastructure of the CIL. They pay our bills. They do our payroll. But ABIL Employment Services is a completely separate program within the center. We are located in a different building, a totally different funding stream, a totally different staff. I think the beauty is that ABIL Employment Services does only the Ticket. Everybody that participates in our program is a Ticket participant, so it allows us to focus just on this program. We have not basically dumped it on top of existing staff doing other things. We started from scratch. We were able to do that because we did apply for and got a very generous grant from the Nina Mason Pulliam Charitable Trust, which is a local foundation, and that was matched 100 percent by the Center for Independent Living, so the Center made that commitment and did provide that up-front funding, and we have just been approved for our second year, and we believe that those 2 years of up-front funding before we start generating the break-even point that we need to sustain the program long term.

I am also happy to say that when it gets into our outcomes we have five people on our staff. We have built up to five people specifically for this program, and two of those, Mr. Chairman, are in fact Ticket participants. We are very proud of that. We have taken

them off the program, trained them to provide services to other participants in this program.

Our results so far have exceeded our expectations and I want to take just a few moments to tell you what those are. We have accepted 109 Tickets, which is on a part with our State agency. It is a little different than we have heard from Oklahoma and Wisconsin. Our State agency and our agency in particular are about neck and neck in terms of Ticket acceptances. We have had 48 placements, so we have been putting people to work, and currently we have 26 people that are out there today working, and next you will hear from Amy Gilliland who is one of our Ticket participants who is in fact employed. We have the honor of being the Employment Network who did receive the very first outcome payment from the Social Security Administration under the Ticket program and a very lovely note from the Commissioner congratulating us on that.

Now, these results are early, and I don't want to suggest that we have all the answers. There are challenges that any Employment Network will experience. For example, that startup funding is going to be a challenge for many Employment Networks, and another is collecting and reporting the earnings information to SSA so that we can get paid. That is proving to be a very, very cumbersome and almost impossible process right now. I know the Agency is working real hard on it, but right now it is taking about 120 days to get paid, and there is not a whole lot of Employment Networks out there that are going to be able to sustain that kind of cash flow problem.

Let me tell you now, these are the operational issues that we went under and I believe that these are important for any Employment Network to be successful. As I mentioned, we are only doing the Ticket. We did not dump it on top of other staff. What that means is that we recruited staff specifically for this program who have the background and skill in operating like business, and specifically like a staffing agency. That is what we operate like. We focus primarily on participation's abilities, not on their disabilities. We are finding is because the majority of our staff are people who ourselves have disabilities, have been on the system, know what that is like. We are finding that participants love that our advocacy and our peer support is what motivates them to participate, to put up the good fight, and to keep going until we do achieve the actual job. You know the ropes, so to speak.

Now, another key element, and I want to read this from my testimony because it is so important, and that is that we know the market. We knew going into this program a majority of people who are on SSI and DI are not the same people normally served by the State's ER system. We have known for many years that most people on this program were not being served at all, and that is not to disparage my good friends here from the VR system. They are very effective in working with people who truly need their intensive services, but the majority of people in SSI and DI are not those same people. The Ticket program requires a completely different approach, one that views Ticket holders as the customer and one that maintains an almost compulsive focus on employment, not on delivering services.

We operate like a staffing agency, we are able to effectively work with employers, and because the Ticket program allows for 60 months of ongoing support after the beneficiary goes to work, we are also finding that we are a tremendous resource to that employer as well to keep that person working after they get the job.

I have to tell you, since we operate like a staffing agency, one of the things we love most about this program is its flexibility. There is nobody in my face when I sit across the desk from that consumer telling me I can't do something because I am not funded to do it. We can sit down one on one, face to face, and do whatever it takes for that person as an individual to get off the benefits and back into the workforce. I love that flexibility. There is nobody I have to ask permission to. MAXIMUS has been wonderful. We send off the Individual Work Plan. When that thing is signed by me and by that consumer, that Ticket is assigned. We are off and running. We are ready to work.

I also want to take a moment to say that in our State, and I know, Congressman Hayworth, you will love to hear this, our State Agency, our State Vocational Rehabilitation Agency is being wonderful. We are cooperating, collaborating. The agreement we have with them is fabulous. They have it with every Employment Network signed up in the State who chooses to be part of that. We are looking at doing some joint cases with them right now for those who truly do need those intensive services but also want the advocacy and peer support that we provide. We haven't done any yet, but we are sitting down, we are talking, we are identifying, we are getting ready to do some of those. I am real happy about that as well.

No matter how effectively we operate, we would not be successful without the specific provisions of the Ticket to Work and Work Incentives Improvement Act, and we are finding those comprehensive reforms that are included in the TTWWIIA, as we expected, are proving extremely beneficial. The Ticket going directly to the beneficiary is fabulous. It sends a strong message that we respect them and their ability to direct their own lives. It also says that we expect them to direct their own lives. The TTWWIIA provisions that include the Medicare extension, the Medicaid buy-in, expedited re-entry, CDR protections are doing their job of eliminating those fears that we have historically seen that prevent people from doing the job.

I am going to move along quickly. The availability of MAXIMUS, the BPAOs as you have heard, absolutely excellent. SSA's been terrific. I give them a lot of credit for a very, very difficult program to implement. They are doing well. Where we see improvement, as you have heard, there is not enough ENs. More people need to be doing this work. The payment system is still a challenge. We need the ENs to be able to choose on an individual case basis which payment program they want to use for a particular consumer. We need Congress to allow us some payment for some work and get away from the zero out.

In closing, let me say while I realize that I am being very positive here today, I know there are many who believe the program creates seemingly insurmountable challenges. From an EN perspective I believe that effective marketing, training and technical

assistance is essential, cannot be overemphasized, and we need to get some nontraditional folks in here. We need to market better to them or find a way to market better to them, and then I think the potential increase is there in this program, in this legislation. Thank you again for the opportunity to be with you here today.

[The prepared statement of Ms. Webb follows:]

Statement of Susan Webb, Director, ABIL Employment Services, Phoenix, Arizona

Mr. Chairman, Members of the Committee, my name is Susan Webb and I am Director of ABIL Employment Services in Phoenix, Arizona. AES is a participating Employment Network in the Ticket to Work Program. I am also a member of the Ticket to Work Advisory Panel, but today I am here commenting only as an Employment Network. It is indeed a pleasure to be with you today, and I thank you for inviting me to comment on how things are going with this new initiative. I will begin with a brief overview of our program and our outcomes so far. Then I will comment on the different elements of the TWWIA that have helped us implement our program.

We began as a separate program of the Arizona Bridge to Independent Living (ABIL). ABIL is a 501(c)(3) non-profit Center for Independent Living authorized by Title VII of the Rehabilitation Act of 1973, as amended. ABIL Employment Services enjoys the existing infrastructure of the CIL, but AES is located in a separate building with its own staff. This specific program ONLY serves people eligible for the Ticket Program. We started with just myself and an employment coordinator with a grant from the Nina Mason Pulliam Charitable Trust, a local charitable foundation. ABIL matched the grant 100%. The grant has now been funded for a second year. This foundation funding along with the CIL's match enables us to operate for the two years we estimate that it will take before the program achieves self-funding through SSA reimbursements from the Ticket to Work Program. Since we began we have added three more staff members, two of whom are ticket participants.

Our results thus far have exceeded our expectations. We believe this program has tremendous potential to finally make a significant difference in the ability of those on SSI and/or SSDI to achieve employment with which they can support themselves and their families.

So far we have screened/interviewed/counseled over 900 participants. We have accepted 109 Tickets, placed 48 people into jobs and have 26 currently employed. We are the first EN nationally to receive a payment from SSA under the Ticket Program.

These results are early, and I don't want to suggest that we have all the answers. Yes, there are challenges that any employment network will experience. For example, start-up funding and collecting and reporting earnings information to SSA so we can be paid are major issues. But there are some aspects of our operation that I want to highlight. I believe it is the combination of all these things that has made us succeed so far. These are elements that I believe are necessary for any EN's operations if this program is to succeed nationally.

1. Our program started new just for the Ticket Program. We did not dump it on top of already overworked staff and try to weave it in with other programs.

2. We recruited staff specifically for this Program who have background and skill in operating like a business and specifically like a staffing agency. As such, we focus primarily on participants' abilities, not their disabilities.

3. Advocacy and Peer Support are our two most important services. Since the majority of our staff are people with disabilities who know firsthand what it feels like to live on these benefits and also how hard it is to get off of them, we are able to engender trust immediately. We "know the ropes."

4. We know the market. We knew going into this program that the majority of people who are on SSI and/or SSDI are not the same people normally served by the VR system. We have known for many years that most people on this program were not being served at all. That is not to disparage the VR system; they are very effective in working with people who truly need their intensive services. But the majority of people on SSI and/or SSDI are not those same people. The Ticket Program requires a completely different approach—one that views Ticket holders as the customer and one that maintains an almost compulsive focus on employment as the outcome, not delivering services.

5. Because we operate as a staffing agency, we are able to effectively work with employers. Because the Ticket Program allows for 60 months of ongoing supports after the beneficiary goes to work, we are also an ongoing resource for the employer.

6. The program is flexible. We are able to sit down with a participant and do whatever we need to do to get them working. We are not faced with a traditional program that calls the shots and makes the rules. We are not told by a funder what we can and cannot do. We don't have to go through bureaucracy and approval processes before we can work with someone. For us as an EN and also for the beneficiaries this has proven to be refreshing at the very least.

7. In Arizona the State VR agency is being wonderful to work with in implementing this program. They have established the required agreement with all the ENs who wish to participate so that we can work some joint cases together. We haven't actually done any yet to see how things will work out, but the spirit of collaboration and cooperation is very evident. I am confident that the Ticket Program will greatly expand the availability of services through the State agency since it will bring them more reimbursements too.

No matter how effectively we operate we would not be successful without the specific provisions of the Ticket to Work and Work Incentives Improvement Act. We are finding that the comprehensive reforms included in the TWWIIA, as we expected, are proving extremely beneficial:

1. The Ticket is going directly to the beneficiary. This sends a strong message that we respect them and their ability to direct their own lives; it also says we *expect* them to do so. We are seeing incredibly motivated, talented people with tremendous work ethic who are so excited about this new opportunity. People with all types of disabilities, all levels of education and all ethnic groups are included in our program. They are wonderful people, and we are honored to have the opportunity to help them find the direction they need to get themselves out of poverty and add to our nation's productivity.

2. TWWIIA's provisions for the Medicare extension, the Medicaid Buy-In, Expedited re-entry and CDR protections are easing the fears participants have that have historically prevented them from trying to work. They now can at least try without fear of losing those safety nets.

3. The availability of a private entity, MAXIMUS, and local Benefits Planning and Assistance is providing much-needed, timely and accurate information to participants so they can truly understand their own specific situation and how work will affect their benefits.

4. By virtue of the TWWIIA being so comprehensive, it is also very complex. I give many KUDOS to the SSA itself for doing such a yeoman's job, even during the switch to a new Administration, in implementing this program. It has been an amazingly huge job to get this thing going. They have done a fantastic job and have done it in a timely manner when they could have found all sorts of reasons to delay things.

The areas that still need the greatest amount of work are:

1. We have not yet achieved enough choice for consumers. There are not yet enough ENs and those who have signed on are traditional providers for the most part who seem to be doing business much the way they have always done it. It is my fervent hope that more providers with a different approach can be recruited to participate in this Program.

2. The EN payment system is a real challenge. There are three things I think would help. First, ENs should be able to choose on an individual case basis as to whether they want to use the milestone/outcome plan or outcome only plan. This would better enable ENs to serve people regardless of which work incentives they might use. Second, Congress should allow some form of payment even when a beneficiary does not totally leave benefits. I believe all work is valuable and some work is better than none. We are turning people away who need or want to work part time simply because the payment structure does not allow us to serve them. We are also turning SSI beneficiaries away whose initial earnings potential is not above the \$1,174 break-even point. Third, the SGA level for purposes of being paid should be the same for blind and non-blind beneficiaries.

In closing, let me say that while I realize that I am being quite positive here today, I know there are many who believe the program creates seemingly insurmountable challenges. From an EN perspective I believe that effective marketing, training and technical assistance is essential for ENs, especially non-traditional ones, to be able to successfully participate. We need all our stakeholders working together. The potential increase in employment and savings to the Trust Fund are enormous and long-overdue. I firmly believe the TWWIIA includes the basis for great success. Thank you again for the opportunity to be with you today.

Mr. HAYWORTH. Susan, we thank you for the testimony, and appreciate hearing your perspective, and think back to actually issuing a couple of tickets with Commissioner Barnhart in Tempe, and one such recipient, though I don't believe that particular day, is our next witness, the aforementioned Amy Gilliland, who is a participation in this program. Amy, welcome, and if you can summarize your testimony in 5 minutes, your complete statement of course is submitted for the record.

**STATEMENT OF AMY GILLILAND, PARTICIPANT, TICKET TO
WORK PROGRAM, GLENDALE, ARIZONA**

Ms. GILLILAND. Yes. I kind of changed around my testimony if that is okay with you.

Chairman SHAW. That is great, Amy.

Ms. GILLILAND. First I would like to say thank you for letting me come here to Washington, DC, to share my testimony with each and every one of you. It is such an amount of gratitude that I have to be a part of something critical and essential for public users, you know, people like me who desperately need a little extra help.

I grew up pretty rough. I truly think I did a little bit of damage to my brain through chemical structure, through drugs and alcohol, to be honest with you. My disability happens to be psychiatric, and I am on medications and so forth, and luckily enough I just celebrated 4 years on sobriety on September 5.

I am not quite sure why it is that the government is willing to go above and beyond their obligations. To me it makes no sense. I work and they are still going to pay me. I don't get that, but I think it is amazing. It is wonderful. I mean, how could I ask for anything more?

I turned in my Ticket to other companies. ABIL responded to me instantaneously. That feels great to feel that I am able to stand on my own two feet, that I am able to participate in life again. It is amazing. You wonder when you have such a low self esteem why it is. Then you get a job and you actually get into that working field and you are getting that regular paycheck, and you are paying your bills and things such as that, and you are going, "Oh, God, that is it. That is what it is about." And ABIL, I can only speak on ABIL because like I said, they responded to me, and they have been nothing but compassionate, proficient and have treated me as a human being. They haven't treated me as someone who is disabled. They haven't treated me as somebody who is crazy. They have treated me as a human being, as themselves, no lower, no higher, just the same, which has been wonderful.

Thank you from the bottom of my heart for giving me this opportunity amongst you all to share my experience, strength and hope. Like I said, I hope that you stick with this Ticket to Work program, because it certainly has made a profound impact in my life. It has allowed me to start feeling as though I am a—I am learning to be a productive Member of society again, and it is really nice. I really do appreciate it. So, thank you very much for letting me share.

[The prepared statement of Ms. Gilliland follows:]

Statement of Amy Gilliland, Participant, Ticket to Work Program, Glendale, Arizona

Mr. Chairman, Members of the Committee, my name is Amy Gilliland and I am a participant in the Ticket to Work Program. Thank you for inviting me to be with you today. I am 22 years old and am a SSDI beneficiary due to a psychiatric disability. I also have a long history of drug and alcohol abuse, and I am proud to say that on September 5 of this year I celebrated four years of sobriety.

It is safe to say that I have led a rocky life, one complicated by my psychiatric disability. Earlier this year I received the Ticket to Work in the mail. I saw the Ticket as a great opportunity to change my life—to realize my aspirations to become somebody. I don't want to sit around doing nothing. I don't want to suck the system dry. Until I received the Ticket I really didn't think I had much chance to get the help I needed to go to work and become self-supporting again.

I called a few of the Employment Networks on the list that was sent to me. None called me back except ABIL. They were very encouraging. I liked the fact that there were people willing to spend the time with me to explore my options. We talked about what I wanted to do and how I might get there. We really went into depth. We explored my interests mentally and socially as well as professionally. I chose to deposit my Ticket with ABIL and they accepted.

Unfortunately, I was still having a lot of trouble with my mental illness. I really wasn't ready. I have training as a Certified Nursing Assistant so initially I told ABIL I wanted to go in that direction. I guess I felt obligated to use that training since I worked so hard to get it. ABIL was very helpful in continuing to call me with different job opportunities in that field.

After several months of trying to get my health stabilized I realized that I didn't want to go into nursing. Lynda at ABIL was very understanding. She encouraged me to pursue new and different ideas. She was there when I needed a sounding board. She told me not to push myself too hard and to be sure I was really ready to work before I did so. But she kept checking in with me to be sure I was okay. Each time she was patient and spent the time I needed to feel comfortable with going back to work. She had a way of pushing me just hard enough so that I wasn't languishing but not too hard to shove me over the edge.

I'm proud to say that I am now working at Albertson's as a customer relations representative in their store. I make \$8.65 an hour and feel I can build a career there. Albertson's is a great employer and offers lots of training to their employees so we can move ahead and make really good money. My prescription drugs are still supplied by Value Options, a public mental health program in Arizona. Eventually, I will receive full benefits from Albertson's. I plan to stay in the grocery business but I also want to get my Bachelor's degree and maybe even a Master's degree someday. I even have a dream to publish a series of children's books.

But because of the Ticket to Work Program I know that if I lose my job tomorrow, Lynda will be there to help me find something else. I really love the Trial Work Period. You need the most help when you're just starting out. And to keep my benefits for a full year while I increase and stabilize my earnings potential is just great!

Thank you for the Ticket to Work Program. This Program will not only help me be successful but many others just like me. And thanks for inviting me here today for my very first visit ever to Washington, D.C.

Chairman SHAW. [Presiding.] Thank you for that moving testimony. It makes you feel good to be able to pass laws like that, and we appreciate your testimony. Mr. Gadaire.

**STATEMENT OF DAVID GADAIRE, PROGRAM DIRECTOR,
CAREER POINT, HOLYOKE, MASSACHUSETTS**

Mr. GADAIRE. I am not sure I want to follow that.
[Laughter.]

Mr. GADAIRE. After following home cooking, that may be the most powerful testimony. I feel like this might be a bit of a set up. I don't think I can match that.

I guess I would want to start with a thank you, and maybe more importantly a thank you to the staff who somehow managed to get me here. I am not sure how that happened, but to get something

this size from Holyoke to here and back again in 1 day is pretty much an impressive thing, and I am impressed by that, so thank you.

I am here as a supporter of the Ticket. I am here as an operator of a one-stop career center, and I guess that makes me a little bit out of place. I am here hopefully to make some ideas and some suggestions. Given my 20 years of disability employment advocacy before I got into the one-stop management business, I feel like I know a little bit about this stuff, although certainly I am humbled by the panel.

I will say that I think this is probably maybe the best equal rights legislation for employment of people with disabilities that I have seen in my lifetime, and the suggestions I offer, I offer as enhancements and not as anything other than that. They come, frankly, from a little bit of hands-on experience. They come from a constant dialog with other ENs and other community based organizations, frankly, that have decided not to be ENs. So, with that, let me just kind of throw it out here.

I basically have nine suggestions or thoughts or opinions, and I will do my best to get that done in 5 minutes. First, I would absolutely concur that benefits planning is the key to this. I think an educated customer makes this whole thing work. We brought a benefits planner into our center about a year before we became an EN, and upon her arrival, a number of people living with disabilities who came through our doors quadrupled. We were able to hit the ground running when the Ticket became available, when we became an EN. I am told that we were the first career center to become an EN, the first to get an actual Ticket assignment, the first to actually get a successful employment out of it, but given how I think poorly the career centers have stepped up to this, I am not sure I say that with pride, but it is my shot, I will take it.

Second, I think that it is absolutely imperative that the Employment Networks have the opportunity to toggle back and forth on payment plans. I actually believe that if we are forced to make that decision upon application, we then will market to a certain type of customer, and I believe eventually we will be more motivated by the revenue than the actual service. I think that is a mistake. I think we should build systems that are customer driven and are revenue driven. I think that we can change that. I don't think that would be a hard thing.

Third, I also think there needs to be provisions for part-time employment. As a workforce development professional, part-time employment is an absolute integral part of anyone's career plan, and I would suggest that it needs to be taken seriously here. My greatest fear is without making that change, this legislation would slowly start to move away from the people with the most severe barriers, and frankly, we would provide ammunition to those people who are willing and quickly going to call that this is a "creaming" program, and frankly, I don't want to be a part of that.

Fourth. I think that the employment services representative concept is a brilliant one. We tell people that changes in your employment really become one of the four major stressors in one's life. If that is the case, dealing with SSA is the fifth.

[Laughter.]

Mr. GADAIRE. I absolutely believe that an employment service representative can act as a buffer and can minimize the amount of distraction that needs to happen or that does happen when a person takes on new opportunities through employment.

Chairman SHAW. I would say, sir, that happens to us every 2 years.

[Laughter.]

Mr. GADAIRE. I am not going to disagree with you on that one. I would say that number five, I think that the Employment Networks and the State VR systems ought to be compensated in a similar way. My greatest fear is there is great talent on both sides, and that if they are compensated differently, we will eventually drive a wedge between them. I know that already happens in the one-stop system, so I am concerned about this. I believe we would rather build a bridge to each other's system because I don't want to replicate what they do so well, and I certainly don't want them to spend time and money replicating what I do well.

I would say, number six, that now that we have Ticket on demand, I would say that in spite of what was said earlier, I am nervous that the Employment Networks—we need more of them—could get overwhelmed, and I think if they get overwhelmed, we will start to do quantity management as opposed to quality management. Now that you can get Ticket on demand, we could probably slow that down a little bit.

Number seven, there is a significant capacity issue, especially given how we are funded. The people that are eliminated from becoming ENs in this system are the small community based organizations, and in some cases, the small community based organizations are the lifeline for people with the most severest of disability. So, I am concerned about that. I think we have to find a way to come up with some kind of up front or planning resource to help them get off the ground.

Number—what number I am on, you keep track—I think that I would suggest that we let the Employment Networks actually do the employment marketing to the employers. I think that in spite of what we want to think here, there is still an overwhelming perception of stigma and fear that exists in employers. I think that if we are going to make a change, we are only going to do it from a trusting relationship. I mean no disrespect by this: I think when we say that comes from the government, I frankly don't think they are listening, so I get concerned about that.

My last suggestion is I believe we need to spend time and effort and resources to develop a cross-match between the computer systems that issue the SSI and SSDI payments to the computer systems that monitor and track the Employment Networks, because all of this is all based on relationship, and I believe that there is a relationship between the Employment Network and the customer, and there is a relationship with the employer. I don't believe asking somebody personal financial information is a natural relationship builder. I actually believe it becomes a force, a blockade. I believe the technology exists. I understand resources are a problem, but I think in the long run, this suggestion will actually save more money over time.

With that said, I thank you for the opportunity to be here. I am not sure I am home cooking, but I know I am hungry.

[Laughter.]

Mr. GADAIRE. I would suggest that if we can be of any help personally or our organization, we are willing to do so. So, thank you very much.

[The prepared statement of Mr. Gadaire follows:]

Statement of David Gadaire, Program Director, Career Point, Holyoke, Massachusetts

First let me express my appreciation for the efforts put forth to get me here. I appreciate the efforts and feel bad for y'all if you need to expend this amount of effort and all you get is to listen to me.

I am told that I need to get my point across in five minutes or less, so let's dispense with the chitchat and get to it.

Before running a OSCC I spent 20 plus years in the disability employment business and the concepts of 'Universal Access' and 'no wrong door' are what attracted me to the OSCC business. Categorical funding challenges these concepts but that is an argument for another day and another committee.

The decision to become an Employment Network The Ticket to Work opportunity was a 'no brainer' for CareerPoint, and I proud to report that CareerPoint was the first One Stop in the nation to become an 'employment network', the first to have a ticket assignment and the first to realize an employment outcome based on our efforts.

Having said that, I feel that the Ticket to Work legislation is the finest example of equal rights legislation for people living with disabilities that I have encountered in my humble career. I fully believe it is a perfect match for the mission of the OSCC's, and although I fully support this legislation, I do believe there are potential improvements that will enhance the impact and just maybe actually put a dent in the unemployment rate for people living with disabilities.

Simply put the following 9 suggestions are the results of our (CareerPoint's) hands-on—experience combined with a continual commentary with other 'employment networks' and/or Community-based organizations either deciding to become an 'employment network' or having made the decision not to.

- 1. Enhance to role of benefits planning in the legislation. Although we have a benefits planner out-stationed at our center, not all EN's have full access to this. We added the benefits planner before becoming and EN, and our numbers have quadrupled since benefits planning became part of our menu of services. An educated customer has the greatest chance at success, and benefits' planning improves the potential for success.
- (N.B. CareerPoint has a co-location memorandum of agreement with The Resource Partnership & shares any interpretation of success with talent and quality they bring to our table)
- 2. I strongly suggest building in the ability to toggle back and forth between payment choice options. By mandating this decision in the application process we are forcing to the EN's to cater to recruiting based on revenue potential. The ability to modify the payment option based on the needs of the customer is a time-tested concept. The very legislation designed to open employment doors can close them for some of the recipients. Our goal needs to be to flex our programs to the needs of the customer, not find customers that meet the design of our programs.
- 3. Whether intentional or not, the legislation is geared toward people that have the ability to work full time, and minimizes the options for people needing or wanting to work part time. I suggest that part time work is a crucial part of almost any career plan at one time or another, and 'people living with disabilities' are not different. I further suggest that failure to address this will unintentionally invite those deterrents prepared to suggest this is a 'cream-ing' program.
- 4. I understand we are considering legislation to include the support of an Employment Support Representative. This simple addition would legislate a circle of support for our customers. As a Career Center, identifying and developing an individuals 'circle of support' may be the most valuable career counseling advise we offer.
- 5. I fully acknowledge that I have no idea how to do this, but the payment mechanisms for EN's and State VR need to be the same. Neither side would

suggest this is a good system as it now stands, and, at least for Career Centers, I believe will only serve to widen the gap between the two service provision models. For the people benefiting from this legislation, we need to combine our respective expertise, and not compete. The Person living with the disability should not be put in the middle of this growing turf-driven debate.

- 6. Now that we have added the concept of a 'ticket on demand', I fully support spreading out the mailing and marketing strategies, so the limited numbers of EN's don't get so consumed that quality might suffer to quantity.
- 7. I truly don't have an idea on how to do this, but if we really want to maximize the number of EN's we need to come up with some way of building in some up front or planning money. Capacity is forcing potential EN's away from the table, and people living with disabilities are experiencing lesser choices as a result.
- 8. Let the organizations do the marketing and outreach to employers. Although support is needed at so many levels, I think the employer world is still dominated by stigma and fear, and therefore needs recognize the positive business aspect of a diverse workforce. This will only come when it is outlined and presented through an existing relationship. Although many organizations may need and use supportive research, I believe the actual communication with employers, maybe the most important ingredient in the future success of this program should be done by the local EN.
- 9. Finally, and maybe the most difficult suggestion to solve, I strongly, strongly believe that a cross match needs to be developed between computer systems tracking SSI and/or SSDI payments to the computer systems tracking EN progress. The success of this program may ultimately lie somewhere in the relationship between the EN and the person living with the disability. As long as either side of this relationship is forced to either request personal financial information or forced to provide this information, there is an unnatural component that would challenge even the most positive of relationships.

I realize I have flown through these ideas in an attempt to play by the five minute rule and need to be back in Holyoke by 5PM, but I can be reach for comment, rebuttal or some good old fashion debate at 413 532-4900 or on the web at dgadaire@detma.org.

Finally, I would be remiss is I didn't offer the fact that as Executive Director, I am somewhat of a figure-head in this process. The true success is based on the work of Leslie Brooks (Career Counselor extraordinaire), Teri O'Shea (benefits planner), Lucy Carlson (Employer Account Representative), Joanne Tyler (ground breaking Career Counselor), Jane Peoples (Director of Operations) and a full compliment of the best staff that has ever been assembled. CareerPoint has been voted the Nation's best Career Center by the National Alliance of Business, and that honor is truly the result of the hard work and dedication of the people making up the CareerPoint team and family.

My sincerest thanks for the opportunity to express my opinions and offer my personal and organizational support to the resolution of these or other enhancements.

Chairman SHAW. Thank you. Mr. Decker.

**STATEMENT OF CURTIS L. DECKER, EXECUTIVE DIRECTOR,
NATIONAL ASSOCIATION OF PROTECTION AND ADVOCACY
SYSTEMS**

Mr. DECKER. Thank you, Mr. Chairman. Thank you for the opportunity to appear before you today. I am Curt Decker, and I am the Executive Director of the National Association of Protection and Advocacy Systems.

The Protection and Advocacy Systems are 57 programs throughout the country in every State and territory that have been providing legally based advocacy services to people with disabilities for over 25 years. The Ticket to Work Program added funds to our program to build our capacity to be available to represent individuals who would take advantage of this program.

Now, people come to me when they are unhappy, so my testimony may not be as positive. That said, we are an integral part of the Ticket to Work constellation of services, and support this effort, and want to see it reach its full potential. I also want to thank the Subcommittee for addressing some of the technical problems in the first round with H.R. 4070 and we hope to see that bill passed by the full Congress, which will address a couple of issues that I want to raise, and hope that you will revisit those as a result of the testimony you receive today.

We are in every State and territory, we are in a unique place to see how the Ticket is working in the 13 roll-out States, and also at the range of barriers to full employment that people with disabilities face, and some of these things have already been mentioned, but let me just reiterate.

We think that the lack of information up front to consumers about the Ticket to Work Program has probably led to the large volume of questions. For many people, their first thought about going back to work was a letter from Social Security saying, "Here is a ticket. Why don't you go back to work?" We think that if there was in the States that are about to be rolled out, more information provided to the general public, e.g., that this program is in place, and its purpose that a lot of the volume of initial queries, there would decrease. There is a lot of confusion and fear on behalf of consumers. We might be able to use those resources that the ENs and the BPAOs and other agencies involved would have to disseminate information.

We are concerned about the fact that while the programs intent was to expand the choices and opportunities for people with disabilities in work, that it looks like the VR system is the big winner, and that they are providing about 80 percent of EN services, and that was not the intent of the law when it was first enacted, and we have seen cases of some very aggressive, over aggressive in our feeling, or trying to convince Ticket holders to place their Ticket with the VR agency. We have been able to negotiate with some of those VR agencies in several States to make sure that we think might be something verging on coercion is not in fact going to continue. It does raise the whole issue of this fight for reimbursement and the attempt at trying to maximize payments out of this program, and we think that that is going to be something that this Subcommittee needs to look at.

We are disappointed in the fact that there are not a larger number of ENs out there providing more choice and opportunity, and we are also concerned about some ENs not willing to take on the more difficult clients to serve and just simply turning people away.

While we support the benefits planning activity and think it is essential to the success of this program, there are some conflicts inherent in that program as well. Many VR agencies are also BPAOs, and so if there in fact is an effort to try to direct people to place their tickets in the VR agency, if the benefit planning agency is in fact that very same agency, there may be some conflicts that need to be looked at.

We are seeing, not only in the Ticket States, but in the other States, as people attempt to go to work prior to receiving a ticket, a whole range of barriers to employment that have to be addressed,

and again, these are not always in your jurisdiction, but it is quite a daunting list of things that have to be in place to make sure that people cannot only get jobs but maintain their jobs. They range, everything from just architectural barriers to discriminatory actions by employers; the very complicated number of work incentive programs which we feel are not all that adequately understood, even by the agencies that have the responsibility to explain to clients what these programs are, things like Plan for Achieving Self Support plans and Impairment Related Work Expenses, things that Social Security has in place. We find that many of the Social Security staff have not been adequately trained to be able to explain how those programs work so people can take advantage of them.

Obviously, the problem that has been addressed before of overpayments, a major problem, been in place for many years. It is great to hear that Social Security is trying to figure out a way of dealing with that, but until they do, overpayments, the threat of overpayments, the perception that you will get an overpayment, is very great out there in the field, and a great disincentive to people pursuing this program. That is worsened by the fact that Social Security has forbidden the Protection and Advocacy Program to represent people in that area. I have not had the same experience that Ms. Webb has had. Our program has been constantly told what we couldn't do, argued with about the role we have, trying to restrict our services, when in fact, I think the intent of Congress was to make sure that we were there in place to protect people in the full range of issues that they would face in returning to work, and we would ask that you look at those issues as well.

We are concerned about some of the programs that do not work well together. Just one, and then I will close, is the fact that in 37 States, VR agencies have orders of selection, and under the Ticket program if you are in an order selection State and placed on a waiting list, you really aren't still protected with the fact that you may be exempted from a continuing disability review, and these are the kinds of complicated inter workings that need to be understood and explained to clients to make their experience a useful one.

So, in closing I would just say that we ask you to review the payment system to ensure that there are stronger safeguards for clients, provide better information to beneficiaries and provide better flexibility to our program so that we can fulfill our mandate to protect people in this program. Thank you.

[The prepared statement of Mr. Decker follows:]

Statement of Curtis L. Decker, Executive Director, National Association of Protection and Advocacy Systems

Chairman Shaw, Representative Matsui, and Members of the Subcommittee, I am Curtis Decker, the Executive Director of the National Association of Protection and Advocacy Systems, the membership organization for 57 federally-funded state and territorial systems that protect the rights of individuals with disabilities. P&As comprise a nation-wide network of federally-mandated, disability rights agencies. P&As teach self-advocacy skills, provide education, training, counseling and advice, engage in mediation and negotiation, conduct investigations, monitor services, and bring legal challenges to civil rights violations based on disability. Our services provide enduring improvement to the quality of life for children and adults with disabilities and their families.

The P&A system is the one longstanding system of disability-related advocacy services that is available in every state. P&As provide advocacy services under the

following programs: Protection & Advocacy for Persons with Developmental Disabilities (PADD), Protection & Advocacy for Individuals with Mental Illness (PAIMI), Protection & Advocacy for Individual Rights (PAIR), the Client Assistance Program (CAP) Protection & Advocacy for Assistive Technology (PAAT), and the newest P&A program, Protection & Advocacy for Beneficiaries of Social Security (PABSS).

The PABSS program was established in 1999 when the bipartisan Ticket to Work and Work Incentive Improvement Act (TWWIIA) which was enacted into law. The intent of this Act was the provision of health care, employment preparation and placement services to individuals with disabilities. The legislation also established a return to work "Ticket" program to allow individuals with disabilities to seek the services necessary to obtain and regain employment, thus reducing their dependency on cash benefit programs. At that time, Congress recognized that many people with disabilities face major barriers in their efforts to leave the benefit rolls for full employment. Therefore, Congress authorized the Commissioner of SSA to make payments to the protection and advocacy (P&A) system in each state for the purpose of providing information and advocacy services to beneficiaries with disabilities who want to work and to provide advocacy or other services that beneficiaries with a disability may need to secure or regain gainful employment. These *State Grants for Work Incentives Assistance to Disabled Beneficiaries* are better known as Protection and Advocacy for Beneficiaries of Social Security (PABSS).

Because PABSS programs are providing advocacy services directly to beneficiaries with disabilities, P&As are keenly aware of what is—and is not working—with respect to the implementation of the Ticket to Work and Work Incentive Improvement Act. There are numerous issues that we believe pose challenges not only for Social Security beneficiaries involved in the implementation of the Ticket to Work and Work Incentive Improvement Act, commonly known as TWWIIA, but for all people with disabilities who want to work. We look forward to working with Social Security and the Subcommittee in meeting these challenges and fulfilling the goals of the legislation.

HR 4070—Advocacy to Maintain Jobs

There are a number of things that NAPAS' wants to accomplish with this testimony today. The primary thing is to respond to the Committee's request for information on TWWIIA implementation so far. However, before I get into specifics in that area, I want to thank the Committee for recently including language in H.R. 4070 which will help PABSS Programs be even better advocates for beneficiaries with disabilities seeking employment. As we all know, getting a job is only the first step. Once beneficiaries with disabilities get jobs, they need help to maintain their jobs. They need somewhere affordable to live close to their jobs. They need accessible and affordable transportation to get to work. They need to know that they have the right to reasonable accommodations in their jobs. When beneficiaries can't keep their jobs because of these and other barriers, they go back on cash benefits, thus reducing the savings to the Social Security Disability Trust Fund. Therefore, we believe that helping beneficiaries keep their jobs is just as important as helping beneficiaries get jobs. Congress recognized this when it enacted TWWIIA, expressly stating that purpose of the legislation was 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 Committee recognized this when it clarified in HR 4070 that advocacy to "maintain" employment was an important PABSS program activity.

Unfortunately, the Social Security Administration has instructed the PABSS program to remove advocacy services for beneficiaries who are trying to "maintain" employment from its list of program activities, even though it is obvious that it is a critically important PABSS function. If Social Security's restrictive interpretation of the scope of PABSS services were adopted, the following beneficiaries would have lost their jobs and gone back on full cash benefits:

- In **Delaware**, an SSI beneficiary hurt himself on the job because his job coach was sitting in a car reading a book, rather than supervising and coaching him on his job tasks. The Delaware P&A got the negligent job coach fired and advocated for a new job coach at a different work site. The beneficiary is working today because the Delaware PABSS program got him the job coaching he needed.
- In **Illinois**, a woman stopped working when she got a letter from Social Security informing her that her trial work period and cash benefits had ended. She contacted the Illinois P&A, which provided her with information about trial work periods and helped her explain her absences to her employer. Without the Illinois P&A, she would not be working today.

- In **Michigan**, an SSDI beneficiary who is blind, was working as a reservation clerk. She needed a screen reader to access computer data. When the employer refused, the P&A and her union intervened. She got the reader and is continuing to work.
- In **New York**, the P&A is representing a beneficiary with a disability who cannot get to her job because the para-transit company does not have a usable wheelchair lift. Without this advocacy, the woman would stop working.

Thank you committee members for approving HR 4070 and recognizing that people with disabilities who return to work need advocacy to stay at work.

What P&As Report in the 13 Roll-out States

While the intent of TWWIIA was to remove barriers to employment, the changes in the law have yet to eliminate previously known barriers, nor enhance the service delivery system. While this is an immediate problem in the 13 roll-out states, it also will be a problem in future states if substantive changes are not made to the program. People with disabilities still face a number of significant barriers to employment including (a) a lack of public understanding of TWWIIA; (b) the fact that at state VR agencies, it is still “business as usual”; (c) problems specific to Employment Networks; and (d) problems specific to Benefit Planning Assistance and Outreach.

The Public’s Understanding of TWWIIA is limited

Although the legislation makes significant changes to the work incentive provisions under the SSA programs, there has been no public education campaign to inform the disability community at large of the improved work incentives, including extended access to Medicare or the “easy back on” provisions for trying work. In fact, until the beneficiary received his ticket in the mail, they had probably given little thought to working, perhaps remembering the problems they faced before, or perhaps recalling the overpayment horror story told by their neighbor when they went back to work. While training for professionals has been fairly common, consumer training has been pieced together by provider and disability organizations, or other community groups. These groups have been attempting to convey information to a confused beneficiary population. As a result, the public perceptions about what the ticket is—and how it works—is muddled. For instance, while a community group may understand the importance of benefit planners, they may not understand why the Employment Network has so much discretion to determine the services they will provide to a beneficiary. There have been at least two articles published in the national media blasting the limitations of the Ticket program where beneficiaries were not able to access the type of services they wanted and therefore felt the program did not meet the stated goals.

With little information available, ticket holders have flooded the MAXIMUS call center with requests for information. Staff there have struggled with deciding how much information to provide at one time, taking criticism from advocates who believed that callers should be told about all the services and supports available to help them go to work, and that all of this information should be provided without regard to the question being asked by the caller.

P&As have also received it’s share of calls and questions and have spent a great deal of time talking to beneficiaries about returning to work, their employment rights under the ADA, and how to choose an Employment Network.

State Vocational Rehabilitation Agencies/Business as Usual

In the provider community, VR is viewed as controlling and “raiding” the ticket program. Although Vocational Rehabilitation agencies came together at the Seattle Symposium to plan for the Ticket implementation, counselors have not been trained on TWWIIA or the Ticket Program. What they have received is instruction on how to handle the tickets. Following their agency direction, many counselors have placed pressure on existing clients to assign their ticket to VR. Counselors believe this is a requirement for the continued receipt of VR services. They do not realize that use of the ticket is voluntary and that the provisions and procedures of Title I of the VR program apply to Ticket holders, despite TWWIIA.

Another issue is when, and how, the Comparable Services and Benefits provisions (of the Title I VR program) apply. Clients who have assigned their ticket to an Employment Network are often told that they cannot receive services from VR because it would be a duplication of services, even though different services are being provided. For example, VR may be providing computer training and the EN may be providing job readiness and job search assistance. Yet, in more than one state, clients have been told that they must choose one service provider, preferably VR, over the other. According to the Rehabilitation Act, “comparable services and benefits”

are services provided or paid for in part or whole by other Federal, state, or local agencies. These services are available to the individual at the time needed to further the progress of the individual toward achieving his/her identified employment outcome. The intent of this provision is to ensure the identification of financial responsibility by a variety of agencies for providing such services. It is not intended to preclude the individual from receiving such services.

Thirty-seven (37) state VR agencies are operating with budgets that restrict services to individuals with "significant disabilities", which includes Social Security beneficiaries. These states have established an Order of Selection, which establishes strict criteria to be met in order for an applicant to receive services. If they do not qualify, based on the established criteria, the clients are placed on "waiting lists" for in indefinite period of time. Counselors in certain roll out states, that have adopted an Order of Selection, have accepted, and "held onto" beneficiary tickets without advising the beneficiary that they could be better served by taking their ticket elsewhere. Since tickets are not assigned until an individual plan is developed, clients often are under the false assumption they are complying with TWWIIA requirements and are exempted from a CDR. In fact, they are not in compliance with TWWIIA, not getting services, and not protected.

Employment Network Issues

Despite active recruitment on the part of the Program Managed, the number of Employment Networks continues to be limited in the roll out states. This restricts a client's ability to choose from a range of services and service providers. ENs under contract with SSA have the ability to reject a beneficiary's ticket, further limiting a ticket holder's option to obtain services needed to go to work. While there has been considerable debate over the voluntary design of the program, many advocates feel that ENs have too much discretion to pick and choose. There is concern that clients may be refused services based on severity of disability, or some other discriminatory basis, which is never explained. Ticket holders are simply told, "We are not suited to assist you. Your needs would be better met by someone else".

Benefit Planning Assistance and Outreach

Funding for the BPAO program at \$23 million dollars under TWWIIA was a welcome addition to this fledgling, and under-funded service. The new BPAO programs have been energetically implemented and enthusiastically viewed as a vital link to the return to work efforts of beneficiaries with disabilities. SSA funded three technical assistance centers to provide work incentive training. These centers have done a commendable job training benefits planners, and the curriculum is well regarded. But the addition of these programs has created some additional concerns.

In many states, however, the BPAO contractor is the state VR agency. Given the competition for program funding, this arrangement may result in inaccurate advice, which could lead to job loss rather than continued employment. One anecdote concerns a beneficiary who secured employment with the help of a private EN. After securing employment the beneficiary also contacted the BPAO project. The BPAO project was the state VR agency. The client reported that the BPAO advised him/her to quit his/her job and assign the ticket to VR.

An EN, who is a private provider, worked with a beneficiary to help them secure employment. The EN advised them (early on) to check in with the BPAO project. The beneficiary did this, but not before they accepted a job and began working. The BPAO project is with the state VR agency. According to what was reported to me, the BPAO advised them to quit their job and to assign their ticket to VR. Now we have a formerly employed beneficiary, once again unemployed and continuing benefits. This appears to be two parts of the program working at cross-purposes due to a struggle for reimbursement.

In another state, the BPAO program was not a part of the VR agency. This BPAO refused to accept VR clients for services because the state VR agency has long paid for benefits counseling. The BPAO was hoping to receive additional funding from the VR agency for services that they were already contracted by SSA to provide.

Barriers to Employment Identified by the PABSS Program

In May 2001, the Social Security Administration awarded the first grants to the PABSS program. Although this was the last program to be funded by SSA under TWWIIA, the PABSS Program is up and running in all 57 P&A agencies. The infrastructure is in place, outreach activities are occurring, caseloads are increasing, and Social Security beneficiaries are beginning to return to work. During the first year of operations, the PABSS programs assisted 10,755 individuals (2001) by providing education and training, information and referral, or legal based advocacy. There

were 8,023 individuals participating in training events; 2,182 individuals with disabilities received Information and Referral services; and 550 Social Security beneficiaries were provided individual representation.

PABSS programs developed PABSS brochures, informational flyers, posters, and postcards for placement in SSA and Vocational Rehabilitation offices, One-Stops, and community organizations. They engaged in extensive education and training of Social Security beneficiaries, their representatives, other individuals with disabilities, family members, community groups, disability organizations, and supporting professionals. Recognizing the need to coordinate services—P&As began to build external relationships with other key elements of the “Ticket to Work” and workforce development system, including, for example the Benefits Planning Assistance and Outreach offices and Medicaid Buy-in Working Groups. Many PABSS programs also convened statewide workgroups and monthly meetings with key disability programs and experts on return to work issues. P&As provided information and referral, mediation and legal services to beneficiaries.

When establishing the problem areas and setting up the annual reporting requirements, NAPAS assumed—as did others in the disability community—that beneficiaries with disabilities would encounter problems primarily in the areas of vocational rehabilitation, Employment Networks, benefits planning, and employment or employer benefits, with some concerns falling into the category of “Other.” However, direct advocacy services and P&A representation has been needed to secure rights and overcome barriers to employment presented by entities apart from those previously mentioned. Roadblocks were found to often include the discriminatory effects of architectural, transportation and communication barriers and failures to make modifications to existing facilities. Specific areas of concern include:

- Accessing employment and placement services;
- Defaulted student loans (preventing continued employment)
- Medicaid eligibility and 1619 (b) issues;
- PASS and work incentive concerns, including the correct application of Impairment Related Work Expenses (IRWES);
- In-home support services;
- Social Security overpayments;
- Inadequate special education transition planning;
- Deficient institutional discharge planning;
- Inadequate Medicaid and public benefit supports;
- Lack of employer adherence to employment discrimination laws, and
- Access to services such as transportation.

Recently, NAPAS prepared an Annual Report of PABSS Activities, which was submitted to SSA for review and approval (Draft, Summer 2001). After SSA review, we were asked to delete certain bulleted items from the list of “barriers to employment” because SSA did not consider them to be barriers. These include Medicaid eligibility and 1619(b), PASS, and work incentive concerns including the (correct) application of Impairment Related Work Expenses (IWREs) and SSA overpayments. We also were instructed to delete these same items from “areas of concern” under the ‘Source of Individual Concerns’. It is clear from this that SSA does not understand the types of problems confronting beneficiaries, nor the advocacy needed to get beneficiaries back to work. To get jobs, beneficiaries require advocacy to, among other things: get services from state VR agencies; have physical access to employment service providers, especially One-Stop centers; have accessible transportation to service providers and jobs; and receive reasonable accommodations from employers. Social Security should not be permitted to narrow the protection and advocacy services that Congress mandated in TWWIIA.

One additional problem facing SSA beneficiaries who return to work is overpayments. This can be a major barrier to beneficiaries’ willingness to take advantage of work incentives programs, including the new Ticket to Work program. Beneficiaries may be very conscientious in reporting their earnings, but the overpayments still occur over significant periods of time, and beneficiaries continue to be fearful of owing SSA thousands of dollars for working. Beneficiaries do not know whether the benefit amount they are receiving is correct or whether SSA has made an error or failed to record their earnings. They get stuck and are not able to access advocacy services or assistance on overpayment issues from PABSS programs because SS has restricted P&As from using this money to address problems related to SSA programs/services.

Recommendations

Based on the observations of the PABSS program, NAPAS is providing a number of specific recommendations, which we believe will improve the effectiveness of the TWWIIAA program.

We recommend that Congress:

- Review the TWWIIA payment system to enhance the involvement of non-VR providers and to eliminate the “business as usual” actions of VR agencies.
- Ensure strong safeguards are in place so that individuals with disabilities, who take advantage of the TWWIIA program in order to become meaningfully employed, are not put in jeopardy of losing their benefits.

We recommend that the Social Security Administration:

- Provide better information on the TWWIIAA program to beneficiaries and others through a variety of methods and vehicles, including their public information resources, the BPAO and the PABSS program.
- Provide necessary flexibility to the PABSS program so that, as additional barriers to employment are identified, such as overpayments, the scope of the PABSS program, as intended by Congress, is broadened to reflect these new discoveries.

Conclusion

Thank-you again for inviting NAPAS to testify here today. We look forward to working with the Committee and with the Social Security Administration to ensure effective TWWIIAA implementation. Hopefully, working together, we can resolve problems that have arisen during the first year of implementation—not only in relation to the implementation of the overall bill, but also to the implementation of the PABSS program. Again, we thank the committee for its work to help broaden the scope of the PABSS program so that it can address more and more of the barriers that people with disabilities face as they work to secure, regain, or maintain employment.

Chairman SHAW. Thank you very much for that testimony. I continue to be concerned, as I think all of us are, with regard to the earnings limitation, but as I understand it, the first year there is no limitation, which gets people into the workforce and see how they feel and how they are doing, and then they can move forward if perhaps they want to get out of the program entirely if it is very successful. We have heard a lot about welfare reform. I chaired that committee when we passed welfare reform back in 1996, and it is a question of people believing in themselves.

Ms. Gilliland, you talked very much about self esteem. That has a lot to do with it. People’s self esteem goes up when they get into the job market. They become more and more self sufficient, and the whole purpose of the Ticket to Work was to give people that chance without the fear of losing everything and going forward with it.

I have just a couple of questions, and I would like to throw this one out to the entire panel. The first tickets to beneficiaries were mailed out 7 months ago, and based upon your experience—I think perhaps all of you have answered this to some degree—but I am assuming that all of you think it is really working at this point, perhaps not as inclusive as we want it to be.

Mr. Gadaire, you talked about your concern about the system becoming overwhelmed. Well, I hope it does get overwhelmed, and I hope we have to come back here and figure out ways so that we can better service all of these people. Would you like to comment on that?

Mr. GADAIRE. Well, I guess my concern is, I would like to try to address it before it gets overwhelmed. When it gets over-

whelmed, my greatest fear is we start to create what I would call bad practices, and second and third-generation bad practices are almost impossible to retract. So, my concern is now before it is overwhelmed we have frankly a chance to do something about it.

Ms. WEBB. Mr. Chairman?

Chairman SHAW. Well, that is one of the purposes of this hearing, is to do our oversight responsibility. Ms. Webb?

Ms. WEBB. One element I think that we are experiencing in the first 13 States is that the Tickets are out now, and so the initial demand is now starting to diminish for those who are contacting us, and now what we are thinking about is what are we going to do to contact them. What is going to be the additional marketing approach that we are going to use, and are we going to see the same level of enthusiasm and motivation when we start calling people again, a kind of a second phase of the roll-out.

Once you get through those initial people—because obviously the ones that are calling us, which is where we are now, are the ones that are motivated to begin with. What about the ones who have not chosen to call us? Now the impetus is upon us to go ahead and start contacting them again and say, “Hey, you have this Ticket. We would really like to talk with you.” So, I think we are entering into perhaps the second phase in the roll-out States at this time, and it will be interesting to see how that goes.

Chairman SHAW. I have here a sample of what the Ticket looks like, and we have been talking a great deal about the Ticket to Work, and some people watching this hearing probably are wondering what does a Ticket look like. Did you have your hand up?

Ms. GILLILAND. Well, I just wanted to say that originally when I got the Ticket to Work in February, I was one of the first to receive the Ticket to Work. I mean literally I think I must have asked Susan Webb at least a dozen times, “Are you sure this is real? Are you sure this is real, that if I go back to work the government is going to continue with my benefits?” At that point it was critical that not only did I have my money-wise benefits, my financial, I also needed my mental benefits, as far as medications for mental, psychiatric and stuff like that. Maybe suggestion-wise, as far as making it more clear in the actual format of the Ticket to Work that it is true, that it is not some kind of farce, that it is not some kind of scheme to get you involved in something like that, that it is something that is very much true and very much important and very much that if you sign up and that you are willing to go forth with this, that there is nothing to worry about, that the government will take care of you, which is people get real—

Chairman SHAW. It is like the old joke, “I am from the government and I am here to help you.”

[Laughter.]

Ms. GILLILAND. Right, right.

Chairman SHAW. Ms. Webb, I assume that in Arizona you keep your medical benefits.

Ms. WEBB. Mr. Chairman, we have the Medicaid buy-in in Arizona, but our State has experienced the budget crunch like everywhere else. Our State legislature did vote to keep the Medicaid buy-in, but it will not be implemented until January. Currently we have 10 of our Ticket participants on the waiting list, purposely not

working until the Medicaid buy-in goes into effect. We are finding that 75 percent of the people we are placing, we are placing into jobs where the employer does provide health care including prescription drug coverage, but as in Amy's case—she is an example of this—where there is a waiting period often before those benefits kick in. Where we are going to find the greatest use for the Medicaid buy-in is for those people that need that help between the time that they are not eligible because of earnings in the Medicaid program, but now they are working above that eligibility, but their employer-provided benefits haven't kicked in yet. So, I see where the Medicaid buy-in under this program will be a good buffer to get people into the workforce and then eventually the employer provided health care will kick in.

We believe, and we are going to prove it to our State, that the Medicaid buy-in will actually save our State money.

Chairman SHAW. Thank you. Mr. Hayworth?

Mr. HAYWORTH. Well, Mr. Chairman, let me again thank the entire panel, and I guess David, your "home cooking" kind of works. I say my friends from home have been working with the—and Amy, especially since you are living this, your perspective kind of—well I won't set conditions on it—it is of immense value to us. You mentioned one improvement in terms of saying, "This is real. It is not false. Let us clear this up with the Ticket." You have characterized this from your perspective as almost too good to be true, I think to paraphrase.

Ms. GILLILAND. Absolutely.

Mr. HAYWORTH. Is there any downside that you have experienced, anything other than that constructive criticism of making it a little more blatant, and I don't know, if we put like neon writing or make it fluorescent or what, to glow in the dark, really let people know about this, but is there anything else that in this imperfect world would make this a little better from your perspective?

Ms. GILLILAND. Well, Congressman Hayworth, I know that for ABIL, which is a company, and I promised Susan I wouldn't get too involved in it, but I was fortunate enough to be blessed with such a wonderful, wonderful Agency, and I am not sure—

Ms. WEBB. I didn't tell her to say that.

[Laughter.]

Chairman SHAW. Well, you will have a chance to correct her if you like.

Mr. HAYWORTH. This is completely spontaneous and unrehearsed.

[Laughter.]

Ms. GILLILAND. That I think, like this gentleman at the end was saying, that a lot of agencies don't want to take on the more people that need more help. I have a friend that is on disability, who he is one that needs extra help, extra care, extra concern, that in fact did call an agency—I am not sure—but lives in Arizona that did call an agency. Didn't get back to him. Called another agency, didn't get back to him. Finally I said, "Listen, you have to call ABIL. You call ABIL. Somebody is going to get back to you." So, I think that is definitely an important issue, and that is making sure that no matter what, no matter what the case is, no matter how severe the case is as far as how your health is or your physical

or mental status, that we are all human beings, and we all need help sometimes, and that is definitely—that has to be more proficient. I know that for ABIL, ABIL is a great, wonderful company, and I really was blessed, but I don't know about the other companies.

Mr. HAYWORTH. In fairness, I don't know why I think of this, maybe my burgeoning waistline, but I see those ads on TV, "Results not typical. Your experience may vary."

[Laughter.]

Mr. HAYWORTH. I don't know why I think about that. In fairness, Mr. Decker touched on some points here, and maybe you would like to amplify what you see, if you had to prioritize the things that can be better, as you have looked at this across the country from the roll-out in States like Arizona, the places where now it is just coming online, other places that unfortunately are having to hang back. If you had to prioritize the A-number-one imperative that we missed, what would that be?

Mr. DECKER. Well, I guess I would put it probably in tiers of what you could accomplish quite easily, what I think, or is going to require a little effort, and then some things that are probably going to have to be statutorily changed, which is not that easy.

I guess I go back to the whole issue of the initial information. It seems to me Social Security Administration has a pretty large public information resource that they should be using to get the word out early so when these Tickets do arrive, that some of that initial doubt, and in some cases fear—the Commissioner herself I think has stated that if she got this letter in the mail, she wouldn't be so sure that it was something to be taken seriously. So, I think you could get a lot of interest and getting people thinking about the fact that, "Gee, maybe I can go back to work even though"—again, remember that these folks have maybe spent a year trying to get on benefits, have had a fair amount of issues with Social Security over the years, and now suddenly get this letter saying "It is okay. We are here to help you." I think there is a real learning curve and an attitude to get over. I think that is pretty simple to do.

The issue of course of making sure that there is coordination with all these different components that have been put in place, so that when some person decides to come forward, they are getting the best information, the most accurate information and the full approach. Again, I think that is something they can accomplish, reinforce all of the groups at this table, we have some obligation at the local level to be working together and trading information, and not just passing clients around up and down the line, but making sure that a client is getting the right information and the right service at the time they need it.

The last thing, and more difficult, is going to be some of the payment incentives to make sure that we get more ENs in, that they are willing to take on more difficult to serve clients, and try to undercut some of this fighting over the reimbursement, so that we get the full range of people involved in the program.

Mr. HAYWORTH. Thank you, sir. Again, thank you to the entire panel for being here today.

Chairman SHAW. Thank you. This has been most enlightening. You all come from all the way up to Massachusetts, all the way out

to Arizona. We very much appreciate all of you being here. We appreciate the work you are doing and the good that you are accomplishing, and really helping out some people who certainly need the help, but can become very productive, self-sufficient individuals with just a little bit of faith and a little bit of self esteem. Thank you very much.

We are now adjourned.

[Whereupon, at 1:52 p.m., the hearing was adjourned.]

[Questions submitted from Chairman Shaw to the panel, and their responses follow:]

Social Security Administration
Baltimore, Maryland 21235-0001
November 29, 2002

1. Where does the Social Security Administration (SSA) stand in developing an alternative to the Employment Service Representative (ESR)? How can we be assured that an alternative will result in improved service, and not merely continue the problems of the past? Will the duties so ably performed by the ESR be diffused throughout all SSA staff, which was part of longstanding problem with addressing this workload? Will you be sure to keep us informed as you consider alternatives?

Answer:

SSA executives are still considering how best to provide, nationally, information and services related to SSA's disability employment support programs to beneficiaries with disabilities who want to work.

We will keep you informed as we finalize this decision and move toward implementation.

2. What is the relationship between the ticket program and the existing Federal-state vocational rehabilitation (VR) system? Can beneficiaries use their ticket with another provider and still receive VR services? Is the ticket designed to replace the VR system, or is it designed to complement it? Do beneficiaries still need the VR system? Is any clarification needed in the law to assure that the intent of the ticket program to maximize choice is achieved?

Answer:

- *What is the relationship between the ticket program and the existing Federal-state vocational rehabilitation (VR) system?*

The relationship between the ticket program and the Federal-State VR system is one that affords increased access for beneficiaries to vocational rehabilitation (VR), employment, and other support services with the goal of providing beneficiaries with the services needed to obtain employment and reduce their dependence on cash benefits.

State VR agencies can elect to be paid under the Employment Network (EN) payment system or receive traditional cost-reimbursement payments for providing VR services to beneficiaries who assign their ticket to them, on a case-by-case basis. This option affords the State VR agencies with the opportunity to elect the method for recouping the cost of the VR services they provide to a beneficiary. This provides access to additional funding, which they can use to provide VR services to more beneficiaries. In practice so far, a minority of States in our initial roll-out group have elected to enroll beneficiaries using the EN payment system.

- *Can beneficiaries use their ticket with another provider and still receive VR services?*

Answer:

A beneficiary can, after assigning his or her ticket to an employment network, receive services from the State VR agency. The Rehabilitation Act 1973, as amended, does not require ticket assignment as one of the requirements to be eligible for VR services.

- *Is the ticket designed to replace the VR system, or is it designed to complement it?*

Answer:

The ticket program complements the VR system by affording the VR system with access to additional funding, the EN payment system, which can be used to increase the delivery of VR services to more beneficiaries. Additionally, through the agreements State VR agencies enter into with employment networks the State VR system can contribute to the service delivery capacity of the employment network and increase the services available to beneficiaries.

We are concerned that during our initial Ticket roll-out in some States, ENs and potential ENs believe that State VR agencies control the marketplace. This perception can have a chilling effect on participation by providers and can have the same effect on beneficiary choice.

- *Do beneficiaries still need the VR system?*

Answer:

Beneficiaries still need to have access to the State VR system. There are beneficiaries whose employment service needs can be handled by State VR agencies, which can wield significant resources under the Title I of the Rehabilitation Act. Some beneficiaries with expensive service needs may find ENs reluctant to serve them.

Is any clarification needed in the law to assure that the intent of the ticket program to maximize choice is achieved?

Answer:

We believe that it is too early to tell whether the current law is achieving the intended effect relative to choice. We are closely monitoring the activities of the State VR agencies, employment networks and beneficiaries as we continue the roll-out of the ticket program.

3. What kinds of activities is SSA undertaking to publicize and explain the ticket program to beneficiaries? Are resources specifically budgeted for this marketing effort, or has SSA contracted with other organizations to market the ticket to beneficiaries?

Answer:

We have undertaken a number of activities to publicize and explain the Ticket to Work program to beneficiaries and other interested parties. For example:

- **Notices**

We send eligible disability beneficiaries a letter and booklet with the ticket explaining what the program involves. As of October 21, 2002, we have mailed 2,329,127 tickets to eligible beneficiaries in the Phase One States.

- **Web Sites**

We developed and launched a Ticket to Work Program section within SSA's website, with information specifically for beneficiaries. Information on this part of the website, called "The Work Site", includes fact sheets, frequently asked questions and a Ticket to Work calendar of events open to the public. The Work Site was featured in SSA's electronic newsletter, E-News in the March 2002 issue. The Work Site is available at http://www.ssa.gov/work/Ticket/ticket_info.html.

Under its contract with SSA, the Ticket to Work Program Manager (PM), MAXIMUS, has developed and launched another web site with information on the Ticket to Work program specifically for beneficiaries. Information provided includes frequently asked questions and employment network and State Vocational Rehabilitation contact information. The PM's Web site is available at www.yourtickettowork.com.

Bookmarks with the Web site addresses referenced above were created in August of 2001, and are distributed at conferences, conventions, and other meetings related to the Ticket to Work program and work incentives. The website address is also included in our public information materials for people with disabilities.

- **Video**

In partnership with the Maternal and Child Health Bureau, we developed a Ticket to Work video in December of 2001. The video is available online at <http://www.ichp.edu/videos/TTW2.htm>.

- **Publications**

We have developed publications titled Ticket to Work and Work Incentives Improvement Act (June 2002) and Your Ticket To Work: What You Need To Know To Keep It Working For You (September 2002) which are available online at http://www.ssa.gov/pubs/pubs_whatnew.htm. Other publications were updated with Ticket information in 2001 and 2002. We are developing the 2003 edition of the Red Book on Employment Support, which will update this resource for employment practitioners, and which will include the latest Ticket to Work information. This publication is expected to be complete in December of 2002 and will be available online, in SSA field offices, and by direct order from SSA.

- **Poster**

We are developing a Ticket to Work poster that will be distributed to SSA field offices, for beneficiaries inquiring about the Program.

- **Toll-Free Telephone Numbers**

We have worked with the PM, MAXIMUS, to develop and maintain toll-free telephone numbers to provide Ticket to Work information to beneficiaries, employment networks, and other people interested in the Ticket to Work program. (1-866-968-7842 and TDD 1-866-833-2967) As of October 21, 2002, MAXIMUS had handled a total of 112,337 calls from beneficiaries.

- **Press Events**

We sponsored kick-off events in three of the 13 Ticket States, Delaware and Massachusetts in February 2002, and Arizona in April 2002, in which the first tickets were issued to beneficiaries directly by Commissioner Barnhart. Local media beneficiaries, advocates, service providers, business community representatives and others were present. SSA's Regional Offices also organized similar press events in other First Phase Ticket States. Similar events are being planned for the Second Phase Ticket States.

- **Meetings**

We participate in numerous conferences, conventions and meetings with disability advocacy groups, educational institutions and non-profit organizations nationwide. In these settings, we do presentations and speeches, exhibit at booths, participate in forums, and provide training on the Ticket to Work Program and other employment support programs. SSA staff in the Office of Employment Support Programs, regional and local offices and MAXIMUS staff are actively involved in this activity. Over the first year of roll-out, we have appeared at hundreds of such events.

- **Partnerships**

We have established partnerships with other Federal agencies who serve individuals with disabilities, including the Department of Labor (DOL), the Department of Education, the Small Business Administration, the Centers for Medicare and Medicaid Services (HHS), and the Agency for Children and Families (HHS). We have established the SSA-DOL Partnership to pilot the Disability Program Navigator (DPN) Position, which will provide an expert on SSA's employment support programs in local One-Stop offices.

A number of our regional offices have established successful networks for information sharing. Members include various State and local agencies, organizations, and advocates.

- **Grants and Cooperative Agreements**

We have awarded cooperative agreements to Benefits Planning, Assistance, and Outreach organizations in all 50 States, Washington, D.C., and the U.S. Territories American Samoa, Guam, Northern Mariana Island, Puerto Rico and the U.S. Virgin Islands. These organizations are charged with providing SSA beneficiaries with disabilities (including transition-to-work aged youth) access to benefits planning and assistance services. They also provide information on the Ticket to Work program to beneficiaries and organizations that provide services to people with disabilities. We have also awarded grant funds to 57 protection and advocacy agencies in the States and territories to provide information and assistance directly to beneficiaries.

- **Employment Networks**

As our contractors, the Employment Networks are encouraged to market and publicize the Ticket to Work program directly to SSA beneficiaries.

4. We understand that a number of employment networks have expressed the need to obtain additional capital up front to better absorb such risks. What can SSA do to assist employment networks seeking additional capital?

Answer:

Section 1148 of the Social Security Act provides for payment to Employment Networks (ENs) only for assisting beneficiaries to achieve outcomes and, if the EN has elected, milestones. Some ENs and prospective ENs have indicated that they are reluctant to actively participate in the Ticket to Work program because they may not be able to afford the up front costs of providing employment services, either because outcomes are far from certain, or because they may have to wait a substantial period of time before payments based on outcomes are received. While an issue for most ENs, the need for a stream of up front funding is especially critical to smaller organizations that do not have a variety of funding sources available to them, such as grants, endowments, and charitable contributions. Traditionally, such organiza-

tions have relied upon immediate payment for services provided, which is not an option for them under the Ticket to Work program.

For this reason, we are working with our program manager, MAXIMUS, to identify potential funding sources and to train ENs on how to take advantage of them. Tasks involved in this activity:

- Perform an ongoing nationwide review of available funding sources to support EN activities;
- Review the terms and conditions of these funding sources, as well as the application procedures, to determine their appropriateness for ENs;
- Codify the funding sources and application procedures in a directory accessible to ENs, to be maintained by the PM;
- Develop and maintain a training module on EN capitalization sources and procedures as part of the standard EN training program;
- Arrange for the delivery of EN capitalization training to ENs; and
- Provide information regarding EN capitalization to prospective ENs via the Ticket to Work toll-free number, EN Recruitment Fairs, and other EN marketing activities.

We expect that these activities will significantly assist the ENs in obtaining additional funding to assist them in performing the EN function.

5. What are your specific plans to address the depth of choice available to consumers in terms of employment networks?

Answer:

From the beginning of the Ticket to Work program, we have recognized that, in order for the Program to be successful, it is critical that an extensive recruitment of ENs occur. Accordingly, we have required MAXIMUS, as the PM, to manage an ongoing nationwide recruitment of ENs. MAXIMUS is specifically responsible for enrolling a sufficient number of ENs to ensure the availability of adequate services and reasonable access to EN services for all beneficiaries within a State, including rural areas. To accomplish this requirement, MAXIMUS:

- utilizes an in-house marketing staff that is responsible for contacting prospective ENs and encouraging these prospective ENs to formally make a proposal to SSA;
- organizes and operates EN Opportunity Fairs, designed to provide prospective ENs (both organizations and individuals) with detailed information on the Ticket to Work and the EN process, in all States;
- attends National, regional and State events exclusive of the EN opportunity conferences to market the Ticket program to over 11,000 different provider organizations; and
- actively assists prospective ENs in completing and submitting the necessary documents (Request for Proposal) to become ENs.

We have been pleased to note recent accomplishments—one-stop agencies under the Workforce Investment Act in several States have joined the rolls of ENs. Other ENs include a Native American rehabilitation agency, a DOL-funded business leadership network, several general-purpose employment agencies, and a number of independent living centers. We continue to assess our progress in this area and will keep you informed as we move through our ticket implementation.

6. The Ticket to Work Act requires the Commissioner of Social Security to periodically review the payment schedules to determine if there are adequate incentives for employment networks to assist beneficiaries to enter the workforce. Witnesses expressed concern that the payments are inadequate to ensure a wide range of employment networks and that the current structure contains inequities in financial incentives to serve certain beneficiaries. Please describe what efforts are underway to review and evaluate the milestone payment systems.

Answer:

The evaluation of the Ticket program's payment structure, both outcome and milestone payments, for providing adequate incentives for Employment Networks (ENs) is a part of the overall evaluation of the Ticket program, mandated as part of the Ticket to Work legislation. The work activity and earnings of beneficiaries who are served by ENs receiving milestone payments will be compared with that of beneficiaries with tickets who are not served by ENs receiving milestone payments, beneficiaries with tickets who are not served by ENs at all, and beneficiaries who do not have tickets. Special emphasis will be given to those beneficiaries who are difficult to serve.

7. One of our witnesses, Dr. Kregel, expressed his concern that individuals may be receiving conflicting information about Ticket to Work from many fronts, includ-

ing SSA, Maximus, VR agencies, and Employment Networks. How is SSA ensuring information provided to consumers is accurate and consistent?

Answer:

Over the past year, we have developed and provided an extensive range of training to our field staff on work incentives, including the Ticket to Work program. In addition, we have engaged a consortium of university-based trainers and providers of technical assistance. They work from a common curriculum and operate in constant contact with SSA and its other contractors such as MAXIMUS.

MAXIMUS also ensures that their personnel are trained in providing consistent and accurate information on these programs, and maintains a quality assurance review to ensure that this level of accuracy is maintained. As we learn of any misinformation being provided by ENs, MAXIMUS is ensuring that the ENs are advised of the correct information to be provided to beneficiaries. We continue to advise the Rehabilitation Services Administration and individual State vocational rehabilitation agencies as we learn of instances of misinformation being given by State vocational rehabilitation agencies.

8. When SSA needed administrative money to review disability cases, the Congress set aside a separate source of funds that was part of Social Security's Limitation on Administrative Expenses, but exempt from the budgetary caps in the Budget Act and earmarked specifically for continuing disability reviews. Those budget caps and the funding amounts have expired, leaving SSA's administrative funding somewhat in limbo. How much money do you think it will take to successfully administer the Ticket Act, and do you have a plan for assuring the Congress will give you those funds for that designated purpose?

Answer:

Our Administrative budget for FY 2003 includes \$44 million for Return to Work activities. This funding is for Benefits Planning and Assistance Cooperative Agreements (\$23 million), Protection and Advocacy grants (\$7 million), and the Program Manager contract (\$14 million).

In addition, our administrative budget supports other costs related to Return to Work activities such as the Work Incentives Advisory Panel, Employment Support Representatives, and research evaluation activities.

9. As you know, the law requires that within 3 years of enactment, SSA is required to report to Congress with recommendations for methods to adjust payment rates to ensure there are adequate incentives for service providers to ensure that "hard to serve" populations are able to participate in the program. Any necessary changes must be implemented before the full implementation of the program is complete. Could you give us an update on the status of the recommendations and the report?

Answer:

The report on Adequacy of Incentives will be part of the overall evaluation of the Ticket to Work program. Special emphasis will be given to analyzing the degree of successful outcomes for those beneficiaries designated as hard to serve. Recommendations for changes in the Ticket program will be developed based on the findings of the evaluation. The contract for the evaluation of the Ticket program will be awarded in early 2003 with initial results reported in 2005 and a final report in 2007.

10. SSA is required to provide independent evaluations to assess the cost-effectiveness and outcomes of the Ticket to Work program. The first evaluation report to Congress is due 4 years after enactment of the Act, which means it's due at the beginning of 2004. Could you give us the status of this report? Since implementation of the program was initially delayed, and the first tickets were not sent out to beneficiaries until February of this year, do you expect the evaluation report will be on time, or will it be delayed?

Answer:

The delay in the start of the Ticket program means that the initial report in 2004 will be a preliminary or interim report with status of the program to that point. Annual reports in subsequent years will provide more complete pictures of the progress of the Ticket program. The evaluation report in 2007 will provide the first accurate assessment of the cost-effectiveness and outcomes of the program.

11. SSA's proposed rule provided that an individual would be eligible to receive a ticket in a month in which he or she is age 18 or older and had not attained age 65. Many, including the Ticket Advisory Panel, have advocated that individuals younger than age 18 should be eligible to receive a ticket to ensure that they do not begin a lifelong dependency on public benefits. In issuing its final rule, SSA maintained age 18 as the threshold for receiving a ticket. Can you provide the rea-

sons for continuing age 18 as the threshold? Do you plan to adjust the age? Why or why not?

Answer:

Beneficiaries in this age group generally are in school, still pursuing completion of their formal elementary and secondary education. For this group, participation in an employment plan under the Ticket to Work program could interfere with their pursuit of an education, completion of which many believe should be the primary focus and goal for school-age youth. Therefore, we have not made these beneficiaries eligible to receive tickets under the Ticket to Work program.

We were aware of strong interests in this transition-age population, and we (concurrently with the final rules) published a request for public comment regarding appropriate ways to assist youth with employment services. We received over a hundred comments and also received input regarding those issues through several public-input discussion sessions. We are currently working with this input and other data in a review of this policy. We will keep you informed of developments in this area.

12. Individuals designated by SSA as "medical improvement expected" cannot participate in the Ticket program until after their first continuing disability review, which is scheduled for 1 year after eligibility is determined. The Ticket Advisory Panel, among others, has suggested these individuals also receive tickets, because providing services sooner often leads to the best outcomes. Can you provide your reasons for this exclusion? Are there any plans for SSA to reverse its position? If so, why? If not, why?

Answer:

Because beneficiaries in this category could be expected to return to work without the need for services under the Ticket to Work program, we have decided not to give them tickets. We also believe limiting eligibility to tickets in this manner strikes the proper balance between equitable treatment of disability beneficiaries and ensuring, to the extent possible, that the resources that will be available in the Ticket to Work program are distributed in the most effective and efficient manner. However, we are reviewing our policy in regard to this population. We will keep you informed of developments in this area.

13. Under the Ticket to Work Act, SSA was authorized to complete a demonstration project to examine the effect of reducing benefits by \$1 for every \$2 in earnings above a certain amount. Could you update us on the status of the project and when Congress will see the results?

Answer:

The \$1-for-\$2 demonstration is undergoing a thorough reexamination and redesign. SSA will work with research experts and the Work Incentives Advisory Panel to develop the best research design that is feasible to produce a reliable estimate of the potential national impact of the benefit offset. After input from the experts, SSA will solicit proposals for the design and implementation of the demonstration. The demonstration will begin by early 2004 with first results available by 2006.

Ticket to Work & Work Incentives Advisory Panel
Washington, DC 20024
November 4, 2002.

Honorable E. Clay Shaw, Chairman
Subcommittee on Social Security
U.S. House of Representatives
Committee on Ways and Means
B-316 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Shaw,

The Ticket to Work and Work Incentives Advisory Panel appreciates the recent opportunity to provide testimony before the Subcommittee regarding the Social Security Disability Programs' Challenges and Opportunities. We have received your follow up questions of October 17, 2002 and submit the following in response.

Where possible the answers reflect specific recommendations in the Panel's reports and discussions on the general topics relevant to your questions. In some cases, we are unable to answer the question at this point because we have not yet had an opportunity to gather the data needed nor reach a conclusion on the issue. However, in order for the hearing record to be complete, we are submitting our response for your consideration at this time. To aid in clarity of this response, we have separated the five questions as follows:

1. In the opinion of the Advisory Panel, what made the Employment Support Representatives (ESR) pilot so successful? What are the key features that would need to be continued in whatever alternative structure the Social Security Administration (SSA) develops to meet the mandate in the law?

The Panel believes the ESR pilots were successful because they identified and trained work incentive specialists within SSA to assist beneficiaries and their advocates in making informed choices about returning to work and the use of existing work incentives. Local SSA offices have not historically demonstrated great expertise in this area.

The Panel believes the key features that need to continue in any structure SSA develops should follow the specifics outlined in the Statute.

The Ticket to Work and Work Incentive Improvement Act states in Subtitle C, section 1149(a)(2)(C), *“the Commissioner shall establish a corps of trained, accessible, and responsive work incentives specialists within the Social Security Administration who will specialize in disability work incentives under titles II and XVI”*

The Panel also strongly believes national implementation of the ESR position is key to the successful implementation of the programs and work incentive improvements under the Act. It is also critical to improving customer service for beneficiaries who attempt to work and report earnings or attempt to use any of the current work incentives in the SSI and SSDI programs. The Panel’s position is that all interested beneficiaries across the country should have reasonable access to work incentive specialists who are dedicated to this task full-time.

2. You indicated the Panel believes the resources allocated to public education, training and marketing of the Ticket program are insufficient. What specific recommendations has the Panel made to SSA on educating the public, conducting better training, and improving the program marketing? How does the Panel plan to assist in these efforts?

In its recent annual report the Panel specifically recommended that SSA dedicate extensive increases in budget to develop outreach, training and technical support in the areas of SSA’s disability and return to work programs and work incentive provisions, as well as, other Federal benefit programs and work incentive provisions administered by agencies. Based on public comment, the Panel is convinced that most beneficiaries who will receive a ticket do not know what it is, what to do with it, or why it has been sent to them. In recent public forums, White House staff and senior SSA executives have acknowledged the need for an outreach campaign to market the Ticket Program, not only to beneficiaries but also to employers and providers. An immediate, coordinated public information campaign to explain the provider and employer opportunities, and beneficiary choices and protections under the Ticket Program, is crucial. The Panel is concerned SSA has not allocated sufficient resources for this effort. Given the potential impact of the Ticket Act Programs on the lives of individuals with disabilities and other stakeholders, and the amount of information needed to ensure the effectiveness of these programs, adequate resources must be allocated to training and technical support on national, regional, State and local levels. Readily available, accurate information is key to helping people with disabilities return to work.

The Panel is an advisory body with a very limited staff allotment and budget. As such, it does not foresee the ability to assist SSA directly in these efforts. However, the Panel does continue to publicize the programs on our Web site, www.ssa.gov/work/panel, and to continue to work very closely with the Agency and the Congress in expanding efforts in these areas.

3. You expressed concern that there are not enough service providers, in terms of both geographic location and specialization. What specific recommendations have you made to SSA to remedy this situation?

As the roll out of the Tickets continues, this issue is just beginning to emerge. The Panel first heard complaints about capacity and specialization at its August 2002 meeting. Apparently there has been a much greater response to the Ticket roll out than ENs had anticipated. Many ENs reported being overwhelmed with the volume of calls and contacts from beneficiaries who had received their Ticket. The Panel is very concerned with building service provider capacity and will continue to investigate this issue.

4. Is the Panel addressing the issue of obtaining up-front capital for employment networks in need? Have you made suggestions to SSA?

The Panel is concerned about this issue as a result of testimony received at its most recent meeting in August 2002 but it has not, as yet, made any suggestions to the Social Security Administration.

5. Would you tell us more about why the Panel believes ticket eligibility should be expanded to those under 18 and those whose conditions are expected to improve?

First, the Panel recommended that 16- and 17-year-old beneficiaries should be eligible to participate in the Ticket Program. The Panel takes the position that making transition-aged youth ineligible for the Ticket Program sends the wrong message to youth and could encourage lifelong dependence on benefits. The Panel believes short-term costs were the primary reason youth were excluded, however, the long-term benefits to young beneficiaries and long-term program savings could far outweigh the short-term costs. Numerous studies have found the sooner someone begins receiving employment services, the more likely the person will be to go to work. Delaying the onset of those services, even by a short time, makes it substantially less likely that the individual will attempt to work or succeed.

Second, the Panel takes issue with SSA's assumption that because beneficiaries with Medical Improvement Expected (MIE) designations have medical conditions expected to improve in a relatively short time, they could be expected to return to work without the services under the Ticket Program. Currently, few beneficiaries with the MIE designation are leaving the rolls voluntarily to return to employment. In addition, on average, only 16 percent of beneficiaries with this designation are ceased for medical improvement after their initial continuing disability review (CDR). A substantial number of beneficiaries (51,044 in 1999, for example) will therefore be denied this important benefit for up to 2 years on average, based on what the Panel believes is a faulty assumption.

The Panel also believes the decision to exclude beneficiaries with the MIE designation was based primarily on short-term cost considerations which may have failed to take into account the long-term savings to the programs that could be realized through early intervention. The Panel remains convinced that beneficiaries with the MIE designation will benefit significantly from participation in the Ticket Program and should be included.

We greatly appreciate your interest in the Panel's views on Social Security Disability Programs' Challenges and Opportunities. We look forward to continued involvement with the Subcommittee on these and other Social Security disability concerns. Thank you again for this opportunity. If you need any further information or clarification, please contact Marie Strahan of our staff at 202-358-6419.

Sincerely,

Sarah Wiggins Mitchell
Chair

CC:
Ticket to Work and Work Incentives Advisory Panel
Marie P. Strahan
JoAnne Barnhart
Martin Gerry
Kenneth McGill

Consortium for Citizens with Disabilities
Washington, DC 20006
November 1, 2002

Hon. Clay Shaw, Chairman
Committee on Ways and Means
Subcommittee on Social Security
US House of Representatives
B-316 Rayburn House Office Bldg.
Washington, DC 20515

Dear Mr. Chairman:

This letter is in response to your request for additional information concerning the testimony of the Consortium for Citizens with Disabilities Work Incentives Task Force to your Subcommittee's hearing on September 26, 2002—"The Social Security Disability Programs' Challenges and Opportunities." On behalf of the Task Force, I appreciate this opportunity to supply additional information to the following questions:

1. “We were disappointed to hear your concerns about Vocational Rehabilitation and the Ticket program. In your view, what can SSA do to address the issues raised in your testimony?”

First of all, we want the Subcommittee to understand that our criticisms were not lodged against all state vocational rehabilitation agencies (VRAs). There are numerous VRAs who are making a concerted effort to make the Ticket program successful and to be genuine partners with the wider provider community in their states. However, there are occasions where confusion still exists among VRA staff over the Ticket to Work and Work Incentives Improvement Act (TTWWIIA) and conflicts occur over VRAs’ Title I Rehabilitation Act responsibilities versus their role in the Ticket program.

We believe that the Ticket regulations are being interpreted by the Social Security Administration (SSA) and consequently VRAs in ways that conflict with the Vocational Rehabilitation Act. Section 411.585 of the Ticket regulations states in subsection (b) that “if an EN or a state VR agency serving a beneficiary as an EN is paid by us [SSA] under one of the EN payment systems with respect to a ticket, such payment precludes subsequent payment to a State VR agency under the cost reimbursement payment system based on the same ticket.” This has led some VRAs to insist that a Social Security disability beneficiary must assign his or her ticket to the VRA in order for services under Title I to be provided to that beneficiary. VRAs are supposed to assess clients for eligibility for VR services independent of the Ticket but, in some cases, the VR process is being short-circuited because of a VRA’s insistence on deposit of the Ticket as a condition of providing services.

The Social Security Administration has contracted for Training and Technical Assistance to Benefits Planning Assistance and Outreach (BPAO) and Protection and Advocacy for Beneficiaries of Social Security (PABSS) staff which includes SSA programs and work incentives and other Federal programs such as TANF, housing subsidies, Unemployment Insurance, Workers Compensation, earned income tax credit, Medicaid and State Childrens’ Health Insurance Program (SCHIP). Unfortunately, these mandated training sessions do not include information about the vocational rehabilitation system or process. Reportedly, SSA contends that training about the vocational rehabilitation system is the responsibility of the Department of Education. Yet, SSA has not invoked similar restrictions when it comes to including information at these training sessions about housing and welfare benefits, even though those programs fall under the jurisdiction of other Federal agencies. We fail to see why SSA is not including information about state VRAs and their role in the Ticket program in its internal training sessions.

At the same time, the Rehabilitation Services Administration (RSA) needs to promote training for vocational rehabilitation counselors to be better acquainted with all aspects of TTWWIIA, not just the Ticket program. Counselors need to understand and more effectively communicate the voluntary nature of the Ticket program. Additionally, counselors need to inform consumers that they are not obligated to use their Ticket even if they receive one, and that Title I rules and regulations are not trumped by any provisions of TTWWIIA. Furthermore, counselors need to know how to advise consumers about the protections from continuing disability reviews, the opportunity for expedited reentry, expanded Medicare and, where applicable, the existence of a Medicaid buy-in.

The VR system is severely underfunded and, as a result, 37 state VRAs have imposed an “order of selection”. This means the state agency has insufficient resources to serve all clients seeking its assistance and will be able to serve only those most severely disabled clients under very tight criteria. Fortunately, in most states, SSI and SSDI beneficiaries meet the criteria to be served even under the state’s order of selection. However, in states such as Massachusetts, the order of selection criteria is so strict that SSI and SSDI Ticket holders do not necessarily qualify for immediate help. Consequently, some eligible individuals are placed on waiting lists for as long as 12 months. Ticket holders in states with restrictive orders of selection need to be informed that they may not be served immediately and that they have the option of exploring other employment networks.

We have also received reports that the Social Security Administration has advised VRAs that the Individual Plan for Employment [IPE] signed by a VRA client when he or she contracts with the agency can substitute for a signed Ticket assignment form. This seems contrary to the concept of informed consent under TTWWIIA given that the IPE says nothing about the assignment of the Ticket. If SSA is permitting VRAs to submit an IPE without a statement that the beneficiary is choosing the VRA as his or her employment network, this should be stopped.

Certain Members of our Task Force have reported that, during the early implementation of the Ticket program, some of their affiliates who provide direct services

to beneficiaries have been threatened with loss of their contract with the State VR Agency if they became an EN in competition with the VRA. Several providers of mental health services in Massachusetts, Wisconsin, Illinois, Oklahoma and Wyoming have reportedly made such claims. Admittedly, some of this information may be considered anecdotal and the Council of State Administrators of Vocational Rehabilitation (CSAVR) is working to verify if these accusations have some validity or if they represent problems that have since been corrected. However, we remain concerned that, absent any concerted intervention by SSA and RSA, some state agencies may continue to pursue such practices.

Recent reports on the progress of the Ticket program have indicated most VRAs participating in the Ticket program are doing so under the traditional cost reimbursement method. This is, admittedly, something that PL 106-170 allows. However, under the cost reimbursement method, once a beneficiary returns to work above the substantial gainful activity level, the VRA may close that case after 9 months of sustained employment at that level and receive reimbursement from Social Security. This differs from the obligations imposed on other ENs that must follow a beneficiary for up to 60 months in order to receive the full complement of outcome payments. While we understand that individuals with closed VR cases may be eligible for post-employment services, we are still concerned about the impact that this option may have on Ticket holders who use VR and who may lose their job after the initial 9 months of sustained employment. While such individuals may quickly return to the disability rolls under the new provisions for expedited reentry, they may not be eligible for another Ticket. Consequently, such individuals may be denied the long-term employment supports that are available through some ENs.

Social Security officials have insisted that they are engaged in ongoing discussions with officials for the Office of Special Education and Rehabilitative Services at the Department of Education concerning the issues surrounding the Ticket, Ticket-holders and the vocational rehabilitation program. However, it is our understanding that the official with the most knowledge about the VR system and most directly responsible for its administration, Rehabilitation Services Administration Commissioner Joanne Wilson, has not been a part of these conversations. We strongly suggest that the leadership of both agencies ensure that those with line responsibilities over the affected programs are integrally involved when matters of policy are under consideration.

These are some of the most immediate concerns that have been brought to the attention of our Task Force. We suspect that, as time goes by, additional questions may arise regarding the interplay of the public Vocational Rehabilitation Program and the Ticket to Work program. As we encounter these questions, we will be happy to share them with the Subcommittee.

2. "Many have expressed concern over the effect of the employment network payment system on their ability to serve individuals with disabilities. Some individuals may never reach the point of having zero benefits, and thus the employment network would not receive payments. This means that some ENs may choose not to serve 'harder to serve' individuals. What are some potential solutions you see to this problem?"

Although our Task Force has not formally endorsed such an approach, some critics of the current payment system have advocated partial outcome payments for partial reduction in benefits. They argue that the law allows for partial payment for reduction of benefits but that SSA has interpreted the statute too narrowly. However, given the current level of milestone/outcome payments, any diminution of the already small reimbursement paid to providers is unlikely to encourage ENs to assist the "harder to serve."

Obviously, one way to resolve the inadequacy of milestone-outcome payments would be for SSA to readjust them to an amount that is closer to the outcome payment level. Certainly, in the course of developing the law, most advocates had expected there would be only a very small difference between outcome and milestone-outcome payment levels. Additionally, the law allows for outcome payments to be set at 40 percent of the average benefit. However, SSA chose to set the outcome payment rate at 34% of the payment calculation base. Adjusting that level upward might also attract more ENs.

When our task force commented on the proposed Ticket regulations, we identified the Report on Adequacy of Incentives mandated by P. L. 106-170 as a "key initiative to assure that certain people with severe disabilities are able to participate fully in the ticket program." Among the four groups of people whose circumstances are to be addressed in that report are: people with a need for ongoing supports and services; people with a need for high cost accommodations; people who earn a sub-minimum wage; and people who work and receive partial cash benefits. That report

is supposed to be delivered to Congress “not later than 36 months” after enactment. If the Social Security Administration adheres to the direction provided by Congress, that report should be issued by the end of this year and should offer some specific recommendations for assisting these populations. We encourage the Subcommittee to examine that report when it is published and to consult with the disability community on the most effective means to address particular employment needs of those with the most severe disabilities.

3. “What should SSA specifically do to effectively market the Ticket to Work program to its target audience?”

As we indicated in our written testimony, we certainly recognize that SSA and MAXIMUS, along with its marketing subcontractor, NISH, as well as many state VRAs have been making concerted efforts to promote and publicize TTWWIIA and the Ticket program. Benefits planning organizations (BPAOs) and Protection and Advocacy for Beneficiaries of Social Security programs (PABSS) have been actively involved in Phase I roll out states providing information and guidance to beneficiaries on the use of Tickets and the interaction of various work incentives.

Nevertheless, we believe a variety of additional avenues are available to SSA to heighten awareness of the various programs and work incentives provisions of TTWWIIA. For example, the Social Security Administration is part of an inter-departmental network of numerous Federal agencies involved with workforce development. SSA should press its counterparts at the Departments of Labor, Education, Health and Human Services, Commerce and other agencies to offer information about TTWWIIA and the Ticket on their websites and in their communications with the public. TTWWIIA was developed to be a multi-dimensional, cross-jurisdictional program and SSA should not be solely responsible for publicizing this new option for people with disabilities.

SSA could request that the regional Disability Business Technical Advisory Committees or DBTACs, the Job Accommodation Network and Centers for Independent Living offer information about TTWWIIA if they are not doing so already. Enhanced support for PABSS could draw more attention to TTWWIIA through the nationwide network of protection and advocacy cross-disability services and programs. SSA might also approach private concerns like the Ad Council to produce public service announcements in areas where the Ticket is to be issued. Undoubtedly, there are additional, relatively economical ways in which to trumpet the return-to-work program and we hope SSA will devote more attention to utilizing them.

While marketing the Ticket Program and the other complementary pieces of TTWWIIA is critically important, our Task Force also believes that all the publicity in the world will be insufficient if beneficiaries believe the risks involved with going off benefits to work are too great. Widespread confusion and misinformation about the Ticket and the other aspects of TTWWIIA may lead many beneficiaries with disabilities to forego using their Tickets. By addressing some of the issues raised in this letter, your Subcommittee could enhance the willingness of beneficiaries to take those risks.

Thank you for giving our Task Force the opportunity to elaborate on our testimony. We look forward to working with you and the Members of the Subcommittee to ensure the successful implementation of the Ticket to Work and Work Incentives Improvement Act. Please do not hesitate to call upon our Task Force if you need additional information.

Sincerely,

Susan Prokop
Co-chair

Virginia Commonwealth University, Benefits Assistance Resource Center
Richmond, Virginia 23284

Question 1: What can SSA do to ensure its marketing efforts regarding the ticket program are effective?

The initiation of the Ticket program has been a major challenge for SSA. The agency and the Program Manager have done an excellent job of designing and implementing operating procedures that have enabled a significant number of Employment Networks (ENs) and beneficiaries to participate in the program. At the same, SSA, advocates and beneficiaries are concerned that the program has not resulted in either increased competition among service providers or the emergence of “non-traditional” ENs providing services to SSA beneficiaries.

To address these concerns, SSA should immediately plan and launch a multi-faceted marketing initiative designed to (1) significantly enlarge the number ENs available to beneficiaries, (2) ensure that agencies and organizations that sign up to be ENs actually participate in the program, (3) increase the number of non-traditional services providers, especially employers, who are participating in the Ticket program, (4) target marketing efforts toward those segments of the SSA population most likely and least likely to participate, and (5) prepare beneficiaries to receive their Ticket and make informed choices about Ticket assignment. Each of these areas of emphasis is briefly described below.

Significantly Enlarge the Number of ENs

SSA should develop and implement a multi-faceted marketing initiative that combines targeted marketing approaches with intensive technical assistance for ENs. Marketing efforts should continue to be directed toward community rehabilitation programs, private rehabilitation agencies, State Vocational Rehabilitation agencies, advocacy organizations, and similar organizations. Many of these organizations are already serving as ENs. However, many agencies have attended recruitment fairs conducted by the Program Manager and have subsequently not applied to be ENs. Others have completed the application, been approved as ENs, but have made a conscious business decision not to participate in the program. Both these groups need intense technical assistance, in addition to further marketing efforts, to promote their full participation in the program.

Many agencies express initial interest in the prospect of becoming an EN. However, upon closer examination, the reimbursement rates available to the ENs, and the perceived risks involved in maintaining a beneficiary in employment for an extended period of time, lead many organizations to view participation with skepticism. However, it should be kept in mind that many of the organizations, both for-profit and not-for-profit, truly want to assist individuals with disabilities. They will be predisposed toward program participation if they believe they can do so in a way that is not financially irresponsible. The purpose of Ticket related technical assistance should be to show these programs potentially effective business models that will allow them to successfully participate in the program.

Several models have begun to emerge that hold promise for potential replication across many ENs nationwide. These models involve combining Ticket reimbursements with foundation funds or other grant monies, collaborating with businesses, combining Ticket reimbursement with support from other funding agencies, and specialized job placement programs. While the clinical services required to implement these models are well within the capacity of many employment service programs, the budgeting and financial management of these approaches is quite sophisticated for programs used to funding mechanisms based on fee-for-service or managed care approaches.

In the Ticket legislation, the Program Manager is responsible for recruiting ENs and operating the program under the direction of SSA. It is not charged with the responsibility of assisting ENs to successfully participate in the program. Based on initial Ticket implementation, many agencies are unwilling to complete the EN application because they believe the program is unworkable. **SSA should establish a Ticket related technical assistance capacity that will provide potential ENs the knowledge and support they need to serve beneficiaries in their communities. Technical assistance should go beyond basic program operation and address customized business models that can make the program financially viable for many different types of organizations**

Ensure Program Participation

Those organizations who have signed up to be ENs, but have not yet accepted any Tickets, should considered a specific target of the SSA's Ticket marketing efforts. It appears that approximately 75% of the ENs in the 13 initial rollout states have yet to accept a Ticket assignment. While there may be many different reasons for the lack of Ticket assignments, if over half of the organizations signed up for the program are in fact not participating in the program, it should be viewed as a cause for concern. Additional marketing efforts should be targeted toward this group to increase the number of eligible entities accepting Tickets and serving beneficiaries.

SSA should assume that, in addition to further marketing efforts, these "non-participating ENs" require technical assistance to assist them in effectively participating in the program. Based on site visits I have made to ENs in three states, a sizable number of ENs applied to the program without first developing a business plan for successful program implementation. After learning more about the pro-

gram, the ENs have made the determination that program participation is not economically feasible for them. **SSA sponsored technical assistance activities should provide these organizations information on the business models that have proven most successful for other ENs and encourage them to actively participate in the program. Additional marketing efforts in the absence of technical assistance will not be successful.**

Increase the Number of Employers Participating as ENs

SSA should develop and implement a major marketing initiative directed specifically at businesses. The employer marketing initiative should have two purposes. First, it should encourage employers to become ENs. Employers, particularly large national corporations, may be ideally suited to participate in the Ticket program. Since they receive virtually no Federal or State rehabilitation funds, Ticket payments would not replace an existing funding source, but rather represent a new source of income for them. Many employers are highly skilled at providing accommodations and promoting return to work for their employees through disability management programs. With their existing payroll and billing infrastructures, the administrative features of the program would create little burden for them. Ticket participation would provide employers a powerful incentive for retaining beneficiaries once hired and working in their company. The powerful potential of employers as ENs has not been tapped and should be the focus of a specific marketing campaign. SSA should consider partnering with business organizations in this effort.

The second purpose of an employer marketing program should be to encourage employers to hire Ticket holders when approached by ENs. A consistent theme emerging from site visits I made to ENs in three states was that ENs would like brochures and other marketing materials directed toward employers that would explain the program and promote hiring efforts. This is particularly true for ENs that have limited prior experience providing employment supports to beneficiaries. SSA's Ticket marketing program should directly encourage employers to hire Ticket holders and assist ENs in marketing the program to employers.

Develop Targeted Marketing Efforts

SSA should aggressively analyze available data on beneficiary and EN participation in the Ticket program in order to more systematically target its marketing efforts. A basic principle of marketing requires the marketer to fully understand who is, and who is not, using their product. At the present time, SSA is seemingly unaware of the basic characteristics of beneficiaries who have assigned their Ticket to an EN in one of the 13 initial rollout states. The agency should look carefully at the current benefit status (SSI, SSDI, or concurrent), age, and primary disability of individuals who have made a Ticket assignment, and develop marketing plans that reflect these trends. For example, if SSDI beneficiaries are assigning Tickets at a significantly higher rate than SSI recipients, the agency should expand its marketing efforts toward the segment of the population that is most likely to participate in the program. Similarly, if younger beneficiaries are assigning Tickets at a higher rate than older individuals, or if persons with psychiatric disabilities are participating at a higher rate than individuals with orthopedic disabilities, customized marketing efforts should be developed that are targeted specifically at the subgroups with the highest "take up" rates.

At the same time, if a particular segment of the SSA beneficiary population is not presently participating in the program, it does not mean that these individuals should be ignored, or marketing efforts directed toward these individuals should be reduced. Rather, it should be assumed that current marketing efforts are not successfully reaching these individuals, and alternative approaches should be used to include them in the program. SSA's Ticket marketing program should study the reasons why individuals are not assigning their Tickets and develop specialized marketing efforts that will maximize their participation in the program.

Similarly, SSA should investigate the characteristics of the entities and organizations that have applied to become ENs. Are these organizations public or private, for profit or not for profit, large or small? To what extent do these organizations have prior experience providing employment supports to individuals with disabilities? Are employers, one-stop centers, educational institutions, and other non-traditional entities participating in the program? Marketing efforts should be customized to reach out to specific sectors of the potential EN population. The SSA Ticket marketing program should not be designed using a "one size fits all" approach. Instead, a series of highly targeted campaigns should be used to maximize the diversity and increase the supply of ENs.

Prepare Beneficiaries for Ticket Receipt

SSA should develop and implement an aggressive marketing program that prepares beneficiaries to receive their Ticket and make informed choices about Ticket assignment. The first time beneficiaries become aware of the Ticket program should not be when they actually receive the Ticket in the mail. For individuals who have not participated in the workforce for protracted periods of time, and who depend on cash benefits and health care coverage for their economic well-being, the Ticket program may be viewed as quite risky. Receiving information about the Ticket program prior to actual receipt may allow beneficiaries to gradually learn about the program over time and carefully consider the implications of program participation.

Marketing efforts should focus on, and work in collaboration with, agencies and organizations that are frequented by and have contact with, SSA beneficiaries. Centers for Independent Living, mental health centers, Benefits Planning, Assistance and Outreach (BPAO) programs, rehabilitation clinics and hospitals, community rehabilitation programs, and advocacy organizations should all be considered SSA partners in providing information to beneficiaries about the Ticket program. SSA sponsored marketing activities should target beneficiaries directly, as well as provide assistance and support to community agencies that can assist in the information sharing process.

SSA marketing activities targeted toward beneficiaries should continue after the receipt of the Ticket. The Web site maintained by the Program Manager provides basic information on the Ticket program, but it is simply not written in a manner that will enable beneficiaries to understand and feel comfortable with the program. SSA's marketing program should work with advocacy organizations to develop materials and create information sources that are understandable and will foster beneficiary confidence in the program.

Question 2: Do the individuals providing these services typically meet the beneficiaries in-person for discussions, or is the majority of work conducted over the telephone?

Benefits planning, assistance and outreach programs (BPAOs) provide services through a combination of telephone calls and face-to-face contacts. In order to fully address this question, it is important to distinguish among the different levels of service provided by BPAOs. While the projects provide a variety of different services, most BPAO activities can be grouped into (1) Information and Referral, or (2) Intensive Benefits Support.

Information and Referral—Information and Referral is defined as providing basic written and verbal information in response to inquiries regarding all Federal and State benefit programs. Information provided may include initial and continuing eligibility for programs, impact of employment and other changes on benefit status and amount, and information on work incentive provisions. This includes referral to government agencies and other community services/resources and may involve one contact to several contacts over a relatively short period of time. Information and referral services may be delivered in person, but is generally provided via telephone or written communication. BPAO projects indicate that the majority of these services are provided via telephone. Some examples of Information and Referral questions that the projects might receive include:

- An individual knows what SGA is but needs to know the current limit.
- A consumer wants to understand work incentives in general but doesn't want to discuss his or her situation.
- Can you help me get those stamps that people use at the grocery store?
- I got this letter from the Social Security Administration saying that my SSI is going down because of my income. Can you tell me how that works?
- My landlord is raising my rent. Can you tell me where to get subsidized housing?

In some instances, Information and Referral services may also involve problem solving and advocacy activities that provide time-limited assistance to beneficiaries/recipients in solving specific Federal and State benefit and work incentive problems. This level of assistance may sometimes require contacting other agencies and programs on behalf of the individual. It requires in-person, telephone and/or written communication with the individual and other involved parties generally over a period of several weeks. Again, BPAO projects indicate that the majority of these services are provided via telephone. Examples of these types of beneficiary questions might include:

- I get SSI and am getting married. Can you tell me what will happen?
- I got a letter saying that my Medicaid is going to stop. I need the Medicaid for my attendants. Can you help me get it back?
- You did my benefits analysis last year. I have been telling the SSA about my work, but they haven't stopped my check, should I be worried?

Intensive Benefit Support—Intensive Benefit Support may include activities such as benefits analysis and advisement, benefits planning, and benefits management. It is considered a more intensive service than those previously stated. Benefits analysis and advisement can be defined as a thorough review of the comprehensive information gathered for the beneficiary/recipient and an assessment of the real or potential impacts of employment and/or other life changes on the person's Federal and State benefit programs and overall financial status. It also includes development of a comprehensive outline of possible options available to the individual and projected outcomes associated with each option, as well as providing advisement to support an informed choice. The majority of these types of services are performed face-to-face rather than via telephone. An example of this type of service is as follows:

- Emily receives SSI and SSDI benefits. She wants to understand how work might affect those benefits, but doesn't have a job goal in mind. In Benefits Analysis and Advisement, the benefits specialist verifies Emily's benefits situation and meets with her to explain everything. An analysis of all of the work incentives that Emily may access is developed. An explanation of how the SSI and SSDI programs work together is prepared. Since Emily also receives food stamps and subsidized housing, these programs are explained to her. Finally, a written analysis is prepared and one or more meetings conducted so that she fully understands how work income will affect her benefits.

Benefits Support Planning involves direct assistance to beneficiaries/recipients in the development of a comprehensive, long-term plan to guide the effective monitoring and management of the individual's Federal and State benefit programs and work incentives. Benefits support planning addresses desired benefit and work incentive outcomes, related steps or activities necessary to achieve outcomes, and associated dates or timeframes. Benefits Support Planning services are time-limited, generally ranging from several weeks to several months. An example of this service is as follows:

- A benefits analysis was prepared for Emily 6 months ago. She is now ready to work. In Benefits Support Planning, her current situation is verified, and assistance is provided to help Emily plan for her new job. A PASS plan may be prepared to pay for interviewing clothes and resume preparation. The benefits specialist explains all relevant work incentives to Emily again and helps her map the points at which she needs to let the SSA know about changes, when things will end or begin, and how to keep track of the PASS receipts and details. These steps are written out for Emily, and calendars and other tools are created so she can keep track of things herself.

In benefits management, the benefits specialist and beneficiary/recipient design, implement, monitor, and evaluate the outcome of a long-term support plan. It involves ongoing, comprehensive, benefits monitoring and management assistance to beneficiaries/recipients who are likely to experience employment, benefits, or other changes that may dramatically affect their benefit(s) status, health care, or overall financial situation. Benefits management services generally build on previous planning and assistance services and include periodic updates of the individual's specific information, reassessment of benefit(s) and overall impacts, education and advisement, and additional planning for monitoring and managing benefits and work incentives.

Long-term benefits management services are provided on a scheduled, continuous basis, allowing for the planning and provision of supports at regular checkpoints. An example of this type of service is as follows:

- Susie has severe mental illness and has just been offered a job through a special mental health program making \$12,000 per year. She receives SSDI of \$942 per month, and pays \$435 per month for her medications out-of-pocket. Susie has a severe mental illness. Through benefits management services provided through the BPAO, Susie discovers she will be eligible for the State's Medicaid buy-in program as soon as she begins to work. Susie has a case manager that she likes, but the case manager doesn't understand Social Security benefits or Medicaid. The benefits specialist works with Susie and the case manager to develop a plan and a detailed analysis is prepared. The anal-

ysis may determine that the special program may represent a subsidy and that either the cost of the prescriptions, or prescription copayments if Susie applies for Medicaid, may possibly be used as an IRWE.

- Each month the benefits specialist meets with Susie and her case manager to monitor her situation. SSA determines that Susie has a 40% Subsidy. Susie applies for Medicaid, and now pays only \$30 per month in co-payments. The benefits specialist continues to provide support to Susie and her case manager on how to keep receipts and how to continue reporting to SSA. As soon as Susie and her case manager take over this reporting requirement, the benefits specialist backs out, letting them know that they can call if something unexpected happens.

In summary, BPAO programs provide two distinct types of services. Each service requires a different level of communication and interaction with the beneficiary/recipient. Information and Referral services are less intensive services and in most situations these questions can be handled over the telephone. In contrast, Intensive Benefits Supports (benefits analysis and advisement, benefits support planning, and benefits management) require more in-depth discussion, review of records, explanation of specific benefits and review of specific calculations. These types of services are very difficult to effectively provide over the phone. As of September 30, 2002:

- Information and Referral services had been provided to 17,762 individuals nationwide. BPAO projects report that approximately 75% to 85% of all Information and Referral services are provided via telephone.
- Intensive Benefits Supports had been provided to 16,953 individuals nationwide. BPAO projects report that approximately 75% to 95% of these services are held in a face-to-face setting.

Question 3: Are there standards for services that the BPAOs must meet, similar to the performance goals that SSA imposes on its 800 number calls? How is the accuracy of the information provided measured?

Before providing services to beneficiaries, benefits specialists in SSA funded BPAO programs are required to attend a 5-day training class on SSA programs and work incentives conducted by one of three Regional Training Centers (RTCs). The RTCs are operated by Virginia Commonwealth University (Regions III, IV, VI, and IX), Cornell University (Regions I, II, and V), and the University of Missouri (Regions VII, VIII, and X). After attending the training class, the prospective benefits specialist must successfully complete a field assignment that tests knowledge of general SSA information and specific work incentives. Benefits also receive an additional 2 days of training on other benefit programs (TANF, food stamps, HUD, and so forth) within 6 months of the initial training.

After completing the field assignment, the benefits specialist is allowed to deliver services in the local BPAO. There are no specific performance standards that the programs are required to meet, other than to fulfill all aspects of their cooperative agreement with SSA. After beginning to deliver services, benefits specialists receive extensive technical assistance provided by the RTCs, attend 2-day follow-up training sessions, participate in distance education courses, receive information through Web sites and list serves, and communicate regularly with other benefits specialists in their state and region.

By contract, the RTCs provide only training and technical assistance. They do not formally monitor the delivery of services by the BPAOs. In a number of instances, particularly with new benefits specialists, staff from the RTCs may review some or all of the benefits analyses and benefits plans developed by a particular specialist for accuracy and completeness. However, the purpose of the analysis and plan reviews are to verify that the specialist has acquired the competencies taught in the 5-day class session, and to target specific technical assistance, rather than to monitor the quality of services provided by the BPAO.

SSA program regulations and work incentives are extremely complex and any inaccurate or incomplete information provided to beneficiaries is a serious concern. I am aware of situations in which benefits specialists have made mistakes during analysis and advisement. These instances are shared with the SSA Office of Employment Support Programs. For the most part, however, the quality of services provided by the BPAOs is very high, especially for a new program and particularly in relation to the information provided by other organizations involved in the implementation of the Ticket legislation. BPAOs routinely encounter beneficiaries who have received inaccurate information from an EN, the Program Manager, a Protection and Advocacy organization, a State Vocational Rehabilitation agency, or even an SSA field office. Correcting the inaccurate information provided by others is a major function of the BPAOs.

To further improve the quality of services provided by BPAOs, SSA could consider conducting program audits of the benefits analyses and benefits plans developed by local specialists. Given the fact that there are 116 local BPAO programs and nearly 150 individual sites, monitoring the telephone contacts of these programs might prove to be impractical. However, SSA could review a number of analyses or plans developed by benefits specialists through a simple file review that could be conducted on a regular schedule. Such a monitoring function would require a cadre of highly skilled and experienced experts to detect mistakes and inaccuracies in these highly detailed reports.

[Submissions for the record follow:]

Independent Living Resource Center of NE FL
 Jacksonville, Florida 32207
October 7, 2002

Subcommittee on Social Security
 Room B-316
 Rayburn House Office Building
hearingclerks.waysandmeans@mail.house.gov
 FAX (202) 225-2610

Dear Members of the Ways and Means Committee:

I write this letter because of my interest in helping people with disabilities and as a disabled person myself. I also was move by the statement made by Mr. Shaw in announcing the hearing. Mr. Shaw stated: "Simply put, the Ticket to Work program is about work. Its aim is to replace barriers with opportunities, so that individuals with disabilities may achieve their goal of working and supporting themselves and their families. We must ensure implementation of this important program proceeds smoothly and addresses the concerns and needs of individuals with disabilities who want to work and organizations that are serving them."

ESR's and BPAO

I believe these programs have been instrumental in many facets of the lives of people with disabilities on benefits and wanting to try to work. So many myths and misinformation are floating about and this leaves consumers confused and scared.

I am a disabled individual. I was on benefits and very much feared losing my medical benefits through employment. I took a job as a Benefit Specialist in Colorado with the idea, if they could show me how to maintain my medical benefits I would continue the employment. During the training, my fears were lifted and I saw that employment was an option.

As a Benefit Specialist, I was amazed at all the people on Benefits I met that had that same fear. All the misconceptions I cleared up, the information on old and new work incentives I gave, and the empowerment I gave people to take control of their own lives makes me firmly believe that this program is essential for all beneficiaries and recipients of Social Security. We have the time and knowledge to help CR's with consumers thinking about employment to make sure accurate information is dispersed making everyone's lives easier. The BPAO program is an invaluable part of the ticket legislation.

I have had the incredible fortune of being able to work with the ESR program. This program has been an intricate part of helping individuals on benefits who want to work. This includes consumers that find employment then find out for some reason their records are inaccurate. These people can get help from an ESR, get their record up to date and accurate so they can feel good about working without the stress of what's going to happen to them from SSA.

SSI and families

When you really look at the program, it is anti-family. I say this because if you have a disability and are on SSI, if you marry and that spouse works, you the recipient is penalized by losing medical and cash benefits. Now the loss of the \$545.00 or less is not as much of an issue as the loss of the medical benefits. For instance, take a SSI recipient that is working and overcoming the barrier of medical insurance through the 1619(b) provision of SSI. Now that they are working and feeling more independent and just wanting 'life, liberty and the pursuit of happiness', they find out that if they were to marry and start a family they will lose everything they

have worked for. But it is OK for them to have illegitimate children or out of marriage sexual relations.

Some of these individuals have no choice but to be on SSI. For example, the child who becomes disabled before age 22. Has had no opportunity to earn enough work credits for SSDI, neither parent is disabled, retired or dead and needs medical assistance in order to live. This individual, not knowing what they can accomplish with their disability, ends up on the SSI rolls. Not only are you keeping them in poverty if they can't work but if they do take the initiative to chase the American dream, they are quashed if they want a family of their own.

Another example, you have the already married couple that are both SSI recipients. In this case, not only if one of them becomes employed does the non-employed spouse fear losing their benefits, but they are treated as one person and get less benefits all together because of their being married.

Solution. Have a provision for SSI where a SSI recipient who has earned income can have spousal protection. Spousal protection: meaning that the SSI recipient's non-cash benefits would be calculated based on only the SSI recipient's earned income. As a safety net, if that person become unemployed, due to their disability, They could retain their medical benefits (even if their spousal income pushes them into no-pay status) for up to 93 months, like Medicare does in the Expedited reinstatement process.

I thank you for reading my comments and please feel free to contact me with any questions.

Sincerely,

Natalie Alden
BPAO Project Coordinator

**Statement of Carl Suter, Executive Director, Council of State
Administrators of Vocational Rehabilitation, Bethesda, Maryland**

Chairman Shaw, Ranking Member Matsui, and Members of the Subcommittee, I am Carl Suter, the Executive Director of the Council of State Administrators of Vocational Rehabilitation, known as the CSAVR.

The CSAVR is composed of the chief administrators of the public rehabilitation agencies serving persons with physical and mental disabilities in the States, District of Columbia, and the Territories. These agencies constitute the state partners in the State-Federal program of rehabilitation services provided under the Rehabilitation Act of 1973, as amended. The State Agencies supervise the rehabilitation of more than 1.2 million eligible individuals with disabilities annually. Of those eligible individuals served each year, by the State Agencies, more than 233,000 are placed in competitive employment.

On behalf of the CSAVR, I submit this written testimony in response to the September 26, 2002, oral and written testimony provided by the National Association of Protection & Advocacy Systems (NAPAS) before the Subcommittee on Social Security of the House Committee on Ways and Means.

My response is focused on the section of NAPAS' testimony that addresses the State Vocational Rehabilitation Agencies' (VR) implementation of the Ticket to Work. I respectfully request that this testimony be entered in its entirety into the September 26, 2002, permanent hearing record of the Subcommittee.

First, I would like to provide some background information on the unique role that the Public VR Program plays in the Ticket to Work Program. *The Ticket to Work and Work Incentives Improvement Act of 1999* (TWWIA) was designed to increase employment opportunities for beneficiaries who receive cash benefits under the Social Security Disability (SSDI) and Supplemental Security Income (SSI) programs to encourage them to enter or re-enter the workforce. According to the U.S. General Accounting Office, less than one percent of these individuals leave the SSDI and SSI rolls each year as a result of paid employment. While State VR Agencies serve thousands of beneficiaries with disabilities each year, a majority will choose not to seek assistance from VR for fear of losing needed health care coverage, which has been the pervasive and persistent problem for SSI and SSDI beneficiaries not entering or returning to work.

Prior to the Ticket, the Social Security Administration (SSA) would reimburse VR for client services and administrative costs when VR was successful in placing individuals on SSDI and SSI in employment that is sustained over a nine-month period with earnings equal to substantial gainful activity (SGA). I am pleased to report that for FFY ending 9-30-2002, the amount of reimbursement from SSA to the

State VR Agencies was \$131,014,755. This was the largest amount ever received, and an increase of \$27,000,000 over FFY 2001. This record reimbursement demonstrates the State Vocational Rehabilitation Agencies' commitment to serving individuals who are SSDI and SSI recipients and substantiates the results.

The Ticket to Work Program expands SSA's options for providing compensation to State VR agencies, and for the first time, permits SSA to compensate private providers, when the provision of services and supports results in an individual working and earning SGA. Private providers can apply to SSA for approval to serve beneficiaries with tickets and receive compensation, either through an outcome payment or milestone and outcome payments combined, when a beneficiary's earnings from work result in the discontinuation of cash benefits. Approved providers are referred to as Employment Networks (ENs).

Since VR is the only program that will be automatically approved to provide services to beneficiaries under the Ticket Program, the impact on the Public VR Program is likely to be dramatic. Over the next two years, tickets will be mailed to eligible beneficiaries along with information on how to use the ticket to obtain training and employment services. Many beneficiaries will call local VR agencies to find out more about the Ticket Program. With the complementary work incentives provisions in TWWIIA, it is expected that larger numbers of beneficiaries will be willing to attempt work than in the past.

State VR Agencies were extremely disheartened by the manner in which they were portrayed by the oral and written testimony presented by NAPAS on September 26, 2002, in implementing the Ticket to Work Program. The State VR Agencies in the first 13 states to implement the Ticket had to move forward in planning for Ticket implementation before issuance of the final regulations governing the Program. In the case of the Ticket to Work Program, many difficult policy decisions were left up to the Social Security Administration (SSA) to interpret through regulation. The final regulations were published in the Federal Register in December 2001.

Part of SSA's interpretation of the Ticket Program is that State VR Agencies must participate in the Ticket to Work Program to receive any type of payment for successfully serving a beneficiary with a disability who has a ticket. There are many policy questions inherent in VR's participation in the Ticket Program. The CSAVR has been in discussions with SSA over a number of policy issues since tickets were first mailed in February 2002. TWWIIA is clear, however, that State VR Agencies must still operate in compliance with the requirements of Title I of the Rehabilitation Act and its governing regulations. This means that the interface between the requirements in Title I of TWWIIA and Title I of the Rehabilitation Act must be clarified and addressed through policy guidance.

In August 2002, SSA issued a new chapter to the procedures manual that State VR Agencies must use to secure compensation from SSA for successfully serving beneficiaries with disabilities. The SSA chapter specifically addresses what State VR Agencies must do to participate in the Ticket to Work Program, establishing both policies and procedures for VR's participation. For example, the chapter establishes a policy whereby a beneficiary who approaches VR for services after receiving a ticket, and who, through informed choice, decides to sign an Individualized Plan for Employment (IPE) with VR, has, for SSA's purposes, assigned their ticket to VR. This policy interpretation has led some advocates to believe that VR Agencies are "forcing" beneficiaries to assign their tickets to VR, when in fact, VR is merely following SSA's procedures.

State VR agencies, like all stakeholders involved with the Ticket implementation, have acknowledged that implementing the Program is a work in progress. To date, approximately 80 percent of the beneficiaries who have decided to participate in the Program have assigned their tickets to State VR Agencies. Since the structure of the Ticket Program does not provide any "upfront" funding to serve beneficiaries, EN's who want to participate in the program will have to absorb considerable costs, pending payment from SSA, after the beneficiaries they serve obtain and maintain employment at SGA. In some states, the State VR Agency is partnering with other providers to form a coalition which functions as a single EN. In other States, the State VR Agency will be operating independently and competitively with other ENs.

Some State VR Agencies acknowledged that early on, missteps might have occurred in information communicated to VR customers. These missteps, however, were remedied as quickly as possible, upon receipt and clarification of information from the SSA.

That said, State Agencies, have not now nor ever have been "raiding" the Ticket program as alleged by NAPAS in their written testimony. Relatedly, the State Agencies have not and do not pressure existing clients into assigning their tickets to VR.

Indeed, some State VR Agencies have reported that EN's are referring individuals to VR that they are choosing not to serve. These are predominantly individuals with the most significant disabilities and high support needs, who are and will be more costly to serve and individuals who need services that are not available through the EN.

It is difficult to comprehend how NAPAS has determined that VR Agencies are "raiding" the ticket program, when it is the Public VR agencies who serve eligible individuals with the most significant disabilities, among others, unlike all of the other Employment Networks who can refuse to serve any individual with disabilities who may seek services and supports from them. In some States, State VR Agencies have entered into Memoranda of Understanding with other EN's, which define how they will share in the costs of services for mutual clients and share in the reimbursement from SSA.

NAPAS stated in their testimony that State VR Agencies who are operating under an Order of Selection (OOS) are taking tickets from beneficiaries and placing them on waiting lists, if they do not meet the States' OOS criteria to receive services. SSDI and SSI recipients who want to work are presumptively eligible for VR services, and, in most cases, are also individuals with the most significant disabilities. These individuals are among the first to be served under any States OOS, second only to serving existing VR clients and providing diagnostic services to new clients.

NAPAS implied in their testimony that State VR Agencies adopt an OOS at will. You should be aware that implementing an OOS is not an option at the discretion of the State Agency, but a requirement under the Rehabilitation Act of 1973, as amended, if VR Agencies have insufficient resources or staff to serve all eligible individuals who seek services from VR.

On more than one occasion, staff from the CSAVR have invited NAPAS staff to work with us on identifying State Agencies that they have reason to believe may not be serving Ticket customers appropriately. We have assumed, and will continue to assume, a leadership role in working with these Agencies to identify—not by innuendo as NAPAS did during the hearing—but by actually identifying the alleged instance(s) of non-compliance and working in concert with one another to correct a misinterpretation or problem.

Anecdotal accusations and criticisms cannot—and should not—be tolerated by anyone, including the Congress. Individuals who have inflated the size and scope of anecdotal incidences and unsubstantiated charges should be held accountable for making them.

In this regard, the CSAVR has requested from NAPAS that we be made privy to any and all information that suggests or implies that VR Agencies are not in compliance with the law in their implementation of the Ticket to Work.

Notwithstanding these unsubstantiated charges, the CSAVR plans to continue to work with State VR agencies and other stakeholders to remedy any alleged missteps or misinformation that may, or may not, be occurring at the VR Agencies and elsewhere.

Like hundreds of thousands of others, we are very proud of the Public VR Program, a proven, evidence-based service delivery system that is indisputably the most successful employment program in the history of the workforce.

Perhaps that is the reason so many individuals with disabilities continue to choose overwhelmingly the Public VR Program for the services and supports they need to enter the world of work.

Thank you for the opportunity to share our concerns with you on the testimony presented at the September 26 hearing regarding State Vocational Rehabilitation Agencies' implementation of the Ticket to Work program.

We look forward to working with you in ensuring that beneficiaries with disabilities—including those with significant disabilities—are served and served well by all employment networks.

In closing, we again acknowledge that there are isolated incidences where misinformation may have occurred; however, these do not translate to the overwhelming negative criticism of State VR Agencies' implementation of the Ticket to Work for thousands of beneficiaries with disabilities.

**Statement of Steve Miller, Member, Board of Directors, National Alliance
for the Mentally Ill, Arlington, Virginia**

Chairman Shaw, Congressman Matsui and members of the Subcommittee, I am Steve Miller of Cedar Rapids, Iowa. I am pleased to submit this testimony to the

Social Security Subcommittee on behalf of the National Alliance for the Mentally Ill (NAMI). Since 2001, I have served on the Board of Directors at NAMI—the largest national organization representing people with severe mental illnesses and their families—220,000 members and 1,200 affiliates in all 50 states. NAMI strongly supported the Ticket to Work and Work Incentives Improvement Act (TWWIIA) when it passed Congress in 1999 and is on record in strong support of its full implementation in reaching all people with severe disabilities that want to participate in the American workforce. NAMI applauds President Bush for his support of full implementation of TWWIIA as part of his “New Freedom Initiative” for people with disabilities. We embrace the President’s goal of ensuring that TWWIIA works to remove barriers to employment and full participation in society and eliminate perverse incentives that leave consumers better off by staying on government benefit programs, rather than working.

For NAMI, the goals of TWWIIA are central to the NAMI vision for recovery from mental illness and full participation in community life. At NAMI we know that mental illnesses are real, with symptoms that are disabling and capable of destroying lives. We also know that treatment for mental illnesses such as schizophrenia, bipolar disorder and major depression are effective and based on a large and growing body of scientific evidence. We know that when consumers are able to access evidence-based treatment and supportive services—a process that is often difficult as a result of our country’s fragmented and underfunded public mental health system—they can achieve recovery and a full life. Further, there is substantial evidence that work actively reduces the symptoms of mental illness and can prevent relapse. NAMI’s consumer and family membership feels strongly that genuine recovery from mental illness can and should mean the opportunity to work.

More importantly, NAMI also believes that real recovery cannot be realized so long as consumers are forced to spend their entire adult lives trapped on programs such as SSI and SSDI (and the Medicare and Medicaid eligibility that go with them)—not because they do not want to work or cannot work, but because these government programs operate as barriers to employment. TWWIIA can and should be an instrument to recovery from mental illness and away from lifelong dependence. Unfortunately, TWWIIA has not achieved these goals thus far for people with severe mental illness. As I will discuss in my testimony, more needs to be done to resolve long-standing problems with the way the Social Security Administration (SSA) administers its current programs (both TWWIIA and others). In addition, changes need to be made to the final TWWIIA regulations to ensure that more beneficiaries can access the program.

Before moving on to NAMI’s comments on TWWIIA implementation, I wanted to note for the record my own background and personal experience in dealing with Social Security’s disability programs. I was first diagnosed with schizophrenia in 1979 when I was 19 years old. I became eligible for SSI in 1990 and was shifted to the SSDI in 1996 when my father retired. A few years ago, I made major progress toward recovery when I was able to access one of the newer more effective atypical anti-psychotic medications that has consistently improved my functioning to the point that I am now working as the coordinator of “Peer-to-Peer” programs for NAMI Iowa. Since this past summer, I have been collecting a salary—something I am very proud of. At the same time, like all other SSDI beneficiaries I have to be careful to keep my earnings below substantial gainful activity (SGA) in order to avoid compromising eligibility for cash benefits (and more importantly) health care coverage.

TWWIIA is intended to help consumers like me achieve enhanced recovery and independence—and NAMI hopes that it one day will. As part of my testimony, I would like to highlight a few concerns (both with the TWWIIA regulations and the way SSA continues to do business) that NAMI believes the Subcommittee needs to address.

- 1) SSA’s handling of beneficiary earnings reports is incompatible with making TWWIIA effective.

This concern predates passage of TWWIIA and goes straight to the experiences of many consumers struggling to move off of SSI and SSDI toward employment. Currently, SSA does not have the means to intake and track earnings of beneficiaries who work. Frequently, beneficiaries who work continue to receive disability checks, despite the fact that their earnings have made them ineligible for benefits. Further, SSA takes months, usually years, to “catch up” with a beneficiary who should have had their checks stopped. When SSA does catch up with a beneficiary, the person usually owes thousands, and maybe tens of thousands of dollars, in overpayments. This creates havoc with a beneficiary who in the course of attempting to work finds themselves financially worse off. SSA ignores this problem despite the

impact on individuals. However, under TWWIIA with the payment to Employment Networks (ENs) and the Continuing Disability Review (CDR) protection now dependent on SSA stopping checks in a timely fashion, this problem can become catastrophic for Ticket holders.

Although SSA has not proposed a rule on this issue, this matter is critical to the success of the Ticket program. In NAMI's view, SSA must address this issue in order for the program to be effective and to ensure that beneficiaries have sufficient confidence in the system in order to take the risks inherent in using the Ticket program to go to work. NAMI strongly recommends that SSA initiate a change to ensure that an EN's report to the Program Manager (PM) on a beneficiary's income and earnings be given by the PM to SSA within 30 days. Further, as an additional requirement SSA should make clear that if within 60 days of the PM's report to SSA, SSA has failed to appropriately stop or adjust a beneficiary's check, SSA cannot hold the beneficiary liable for overpayments and SSA must make payment to the EN as though the benefit has been adjusted or ceased.

- 2) Restrictions on Ticket eligibility are preventing beneficiaries with mental illness from accessing the program.

In our comments to SSA on both the Draft and Final TWWIIA regulations, NAMI expressed two major concerns with respect to eligibility for the Ticket program: limitations for those labeled as "Medical Improvement Expected" (MIE) and the limitation of one Ticket per period of eligibility. Citing administrative feasibility, SSA's final regulations kept in place a bar on eligibility for a Ticket to anyone designated MIE that has not had their first CDR. At the same time, SSA claims that it plans to "evaluate" the methodology used to classify individuals MIE to "assess possible ways to improve the system for use in identifying those beneficiaries for whom near-term medical improvement should preclude the immediate receipt of a Ticket."

This is particularly troubling for several reasons. First, a high proportion of SSI and SSDI beneficiaries classified as MIE have severe mental illness as the primary basis for their successful disability claim. Second, historically, SSA has had a tremendous backlog in completing CDRs, resulting in significant delays until these mandated reviews are completed. There is growing evidence that this MIE restriction is resulting in significant delays in beneficiaries with severe mental illnesses getting Tickets. This runs counter to a large body of research indicating that early employment and rehabilitation interventions are more effective in serving most consumers.

With respect to the one Ticket per period of eligibility limitation, SSA again appears to be using an overly narrow view of the statute. In NAMI's view, SSA ought to allow individuals to be eligible for another Ticket when the cash value of their first Ticket is exhausted, i.e. when the first 60 non-consecutive month limit had been reached. This one Ticket per eligibility period limit is especially troubling for SSI beneficiaries participating in 1619 programs that allow for extended health and cash benefits for beneficiaries entering the workforce. These SSI beneficiaries often retain "eligibility" for benefits under 1619(b) even though they are not receiving any cash benefits. For these individuals, the Ticket could be fully paid out and the person would come back into payment status and not be able to get another Ticket because they are still considered to be in the same "period of disability."

In addition, some individuals with high upfront rehabilitation costs who are served by their state vocational rehabilitation (VR) agency are seeing their chance to fully benefit from a Ticket limited. In many cases, VR agencies are reimbursed for the full costs of services, even if the cost is higher than the total value of the Ticket, so long as a person achieves nine months of Substantial Gainful Activity (SGA). Since nine months of SGA still leaves a person eligible to receive SSI or SSDI, the person will still be on the rolls, not having achieved full independence. However, these same individuals no longer have access to services because they do not have a Ticket. This result is especially unjust in the rehabilitation of individuals with severe mental illness, since state VR agencies have generally done a strikingly poor job of tailoring VR programs to their need for ongoing job related supports.

- 3) Slow recruitment of Employment Networks (ENs) is preventing the development of real consumer choice for employment and rehabilitation services.

Under TWWIIA, SSA is supposed to enter into agreements with ENs to provide vocational, employment rehabilitation services to Ticket holders. The idea is to promote consumer choice and shift incentives toward paying for specific outcomes (long-term successful job retention), rather than short-term results (job placement alone). Under TWWIIA, beneficiaries with disabilities would no longer be limited to seeking services from a public VR agency that is ill-equipped to provide longer term job-related supports designed to help hold down a job. More importantly, innovative pro-

grams in the employment and rehabilitation field such as clubhouses, consumer-run services and psychosocial rehabilitation programs would be able to serve consumers outside of the cumbersome and outdated payment rules governing VR.

According to SSA and Maximus, as of this month 425 providers have signed up to be ENs. While this appears on its face to be a large number given that it is only in the 13 pilot states, NAMI is nonetheless disappointed that only a handful of these approved ENs have significant experience in serving individuals with psychiatric disabilities. In NAMI's view, more needs to be done to bring innovative and cutting edge providers into the program ENs in order to ensure that meaningful consumer choice is realized. This is especially needed in the case of innovative programs such as clubhouses, psychosocial rehabilitation programs and Peer-to-Peer programs that NAMI believes have greater potential to produce positive long-term employment outcomes for people with mental illness.

- 4) The Outcome-Milestone payment system in the regulations makes SSI beneficiaries a bad risk for providers.

The payment systems for ENs are perhaps the most complex and important provisions in the TWWIIA regulations, particularly with respect to the "outcome-milestone" payment system. As you know, Congress provided SSA with wide discretion in how to craft this system with general guidance to ensure that providers are rewarded for helping beneficiaries meet individualized goals that are short of getting completely off of cash benefits—the latter being a major concern for SSI beneficiaries.

There is growing evidence that most ENs view SSI clients as more risky with a much longer return on investment for the EN. As TWWIIA Advisory Panel member Stephen Start has noted, a small EN would break even on most SSDI clients after 2.4 years versus 5.5 years on a client on SSI. He and others have suggested it is better for ENs serving SSI beneficiaries to partner with other entities to mitigate the front-end cash requirements needed until SSA starts to pay.

Some of the impediments to serving those on SSI, or those with the most severe disabilities, derive from the fact that it takes longer for these beneficiaries to reach "zero cash benefits", the point at which an EN gets paid. In addition, payments to ENs for serving clients on SSI are lower because SSI benefits are lower than those for clients on SSDI. The requirement that a beneficiary go completely off cash benefits also works against those who may only be able to work part-time and those with vision impairments who must reach the higher blind SGA level.

As our CCD colleagues have noted, NAMI appreciates the fact that SSA increased the number and amount of milestone payments. However, we continue to believe that the payments are inadequate to ensure a wide-range of ENs are available to serve Ticket holders with the most significant barriers to employment, i.e. those that need intensive employment supports and those who want to work but may remain on benefits for an extended period of time.

- 5) Ongoing frustrations regarding the lack of coordination between public vocational rehabilitation (VR) and TWWIIA.

As noted above, one of the major policy objectives of TWWIIA was fostering consumer choice and maximizing long-term successful employment outcomes for people with severe disabilities. Despite this, Maximus (SSA's national Program Manager) is reporting that most Tickets are being assigned to state VR agencies and, rather than competing with private ENs under the Ticket payment options, most VR agencies are opting to be paid under the traditional cost-reimbursement method. Opting for the traditional payment method also allows the public VR agency to "close" a case after only nine months, as opposed to the 60 month "investment" in the client required of private ENs. Furthermore, there are persistent reports among private providers of significant reluctance of private providers to become employment networks. These private providers perceive, whether justified or not, that becoming an EN might jeopardize an existing relationship with their state VRA. This unease, coupled with the financial risk of the payment system as outlined above, may discourage providers from becoming ENs, thus further limiting choice of provider to beneficiaries.

- 6) Current budget crises in the states are severely hampering the development of Medicaid "buy-in" programs.

Recognizing that your colleagues at the Energy and Commerce Committee have jurisdiction over Medicaid, NAMI nevertheless wanted to share with you our observations about this important element of TWWIIA. According to CMS figures, 22 states, slightly less than half, are involved in some fashion with a Medicaid buy-in—either through the 1997 BBA or TWWIIA. While this is encouraging, the actual enrollment figures in some states are frustratingly low, e.g. only 40 in Florida, 75

in Mississippi, 80 in Nebraska. In addition, there are troubling signs that increasing state budget shortfalls are already discouraging participation by additional states in this important health care work incentive program. According to a report from CMS, Florida has indicated that it plans to repeal its Medicaid buy-in option. Assuring beneficiaries that they would retain access to health insurance coverage was a key tenet of TWWIIA. Moreover, Medicaid buy-ins were meant to supply important additional benefits not found in Medicare and considered necessary for many disabled beneficiaries to take the risks inherent in entering the workforce. NAMI remains very concerned that fiscal difficulties in nearly every state are foreclosing opportunities through TWWIIA for millions of SSI and dual eligible beneficiaries.

A similar phenomenon is occurring with respect to the “pre-disabled” demonstration option for the states under Section 204, i.e. Medicaid coverage for workers with potentially severe disabilities that, without medical treatment, could place them on SSDI or SSI disability rolls. A total of \$250 million was made available to the states, at the regular Medicaid matching rate, to provide Medicaid to such “pre-disabled” workers who meet state-set and HHS-approved medical criteria and are working at least 40 hours monthly (or meet comparable HHS-approved rules). However, apparently less than half the appropriated federal funds will be drawn down under current projections. This is because—again—recession-related state funding shortages have prevented all but four states from taking this option—and even they are only now completing implementation (including the Texas programs covering people with early-stage schizophrenia and bipolar disorder). NAMI would like to join CCD in recommending that the authority for this option be extended and that the Secretary’s required recommendations be postponed for at least two years in order to allow more time for the program to play out.

7) SSA has been slow to develop the required “1 for 2” demonstration program under the SSDI program.

NAMI remains concerned about SSA’s lack of progress in moving forward with the mandatory “1 for 2” demonstration authorized as part of TWWIIA. Beneficiaries that fear the adverse consequences of returning to work regularly cite the “cash cliff” that SSDI beneficiaries face when they reach SGA (currently \$780 a month). This demonstration will test the feasibility of reducing Title II benefits as earned income rises. NAMI respects that this demonstration may be limited in scope to a handful of states and would certainly have preferred that it be a nationwide study. At the same time, NAMI believes it is more important for SSA to move on with this demonstration expeditiously so that we can begin to answer the many questions surrounding the merits of that policy.

8) Confusion regarding eligibility is especially difficult for “disabled adult children” (DACs).

The overwhelming confusion and complicated rules governing eligibility beneficiaries classified as “disabled adult children” or DACs requires some attention from SSA and this Subcommittee if the Ticket program is to be successful for these individuals. For a DAC, leaving the SSDI program as a result of earning above the SGA level after the extended period of eligibility (EPE) and a re-entry grace period have expired, could mean the loss of “disabled adult child” status for life. The experience of many NAMI families under current law indicates that some do not understand that the benefits a parent has earned for their disabled adult child (severely disabled since childhood) could be permanently lost with no re-entry to DAC status under SSDI after a certain period of time with earnings over SGA. This must be addressed to avoid completely undermining the purpose of TWWIIA for those who qualify for benefits as DACs. TWWIIA clearly envisioned the ability of DACs to move on and off the program to the same extent that other people with disabilities will be allowed to do so.

Conclusion

Mr. Chairman, thank you for the opportunity to share NAMI’s views on this important issue for individuals with severe mental illnesses and their families. We are committed to working with every member of this Subcommittee and SSA to ensure that TWWIIA meets its goal of assisting all SSI and SSDI beneficiaries in trying to reach toward recovery, greater independence and full community integration.

Statement of Witold Skwierczynski, President, National Council of SSA Field Operations Locals, and Representative, American Federation of Government Employees, AFL-CIO, Baltimore, Maryland

Chairman Shaw, Ranking Member Matsui, and members of the Social Security Subcommittee, I respectfully submit this statement regarding the implementation of Ticket To Work and Work Incentives Improvement Act. As a representative of AFGE Social Security General Committee and President of the National Council of SSA Field Operations Locals, I speak on behalf of approximately 50,000 Social Security Administration (SSA) employees in over 1300 facilities. These employees work in Field Offices, Offices of Hearings & Appeals, Program Service Centers, Tele-service Centers, Regional Offices of Quality Assurance, and other facilities throughout the country where retirement and disability benefit applications and appeal requests are received, processed, and reviewed.

Ticket to Work

AFGE has advocated and testified since the enactment of TWWIIA for the implementation of the Employment Support Representative (ESR) in SSA's field offices throughout the country. This position is the key to delivering service to the public in the beleaguered and complex area of work incentives. The success of TWWIIA is dependent on implementation of this legislatively mandated position as SSAs corps of trained, *accessible* and *responsive* work incentives specialists.

As members of the subcommittee know, this legislation mandating specialists within SSA is the result of the failure of SSA to both provide accurate information on work incentives and also process work CDR cases timely and accurately. SSA created the Employment Support Representative (ESR) position as this federal work incentives specialist. The pilot of 32 ESRs testing models of how best to service the disabled community concluded in August 2001.

The final Evaluation Report of the ESR position was completed in November 2001. Findings of the report clearly showed that the ESR was resoundingly successful in serving beneficiaries, communities, and organizations in all return to work issues encountered in both the SSDI and SSI programs. Beneficiaries and community organizations were overwhelmingly appreciative of the services the ESR performed, finding them to be compassionate, responsive, accessible, and highly knowledgeable. The investment of the ESRs in outreach programs resulted in increased trust of SSA by the communities, and increased program knowledge on the part of professionals and consumers.

Furthermore, the ESRs were able to develop a single point of contact with beneficiaries, monitor their work progress in a timely and supportive manner, and process work reports and work-issue Continuing Disability Reviews (CDRs) timely. This resulted in reducing large benefit overpayments and a reduction in anxiety for the beneficiary. ESRs gave examples of customers who, with ESR guidance, were able to reliably predict the outcome of their work activity and viewed benefit cessation as a mark of achievement.

The significance of the single point of contact within SSA that the ESR provides cannot be overemphasized. GAO recently published a report called: "Enhanced Procedures and Guidance Could Improve Service and Reduce Overpayments to Concurrent Beneficiaries". Currently, little coordination exists in offices between the work incentives in SSI and SSDI. This confuses beneficiaries, and often results in discouraging them from working, or not effectively utilizing all available work incentives. The ESR is a specialist in both SSDI and SSI work incentives, and processes TWP, work issue CDRs, promotes PASSes, posts wages to SSI records, explains Medicare and Medicaid entitlements. Furthermore, the ESR as a specialist in work issues for both programs, would recognize and develop timely entitlement to SSDI benefits on the part of the SSI recipient.

Work reports of disabled beneficiaries are currently not effectively processed. SSA does not have in place an adequate mechanism to process work reports. It is frequently difficult for beneficiaries to report return to work or stopping work. Again, because of insufficient resources, reports are not acted on in a timely manner, the reports may be in multiple locations and the file in a different location, and employees cannot currently obtain accurate systems information showing current reports or a history of reports. Processing work reports currently receives no workload credit, is not a high priority, and is frequently backlogged. Beneficiaries may receive confusing information on what they need to report. As Ticket expands, and Employment Networks expect payment, these delays will only cause further chaos. The ESR handles work reports effectively and promptly.

Mental impairments are the most common disabilities in the SSDI and SSI population returning to work. Work activity is a key element in the therapeutic treat-

ment of mental conditions. The nature of work activity on the part of these individuals characteristically includes frequent work attempts, many different employers, and work under special conditions. These beneficiaries especially require the consistency and expertise that a single point of contact within SSA provides.

AFGE, SSA, and other agencies and organizations have previously testified that hundreds of millions of dollars in benefit overpayments would be saved nationally if work issues are reported and worked promptly. In the GAO Report referenced, field office employees cited delays in receiving cases from the Program Centers ranging from one to ten years! This delay is eliminated in ESR work locations, because the ESR controls and monitors the case on a continuing basis from the initial return to work.

Anecdotal evidence from employees throughout the country indicates that work issue CDRs are backlogged for up to several years in some field offices. Overpayments on these cases can reach \$250,000 for an office, and employees have encountered overpayments on individual records reaching \$100,000! Unfortunately, the Union is unaware of any statistical data regarding the numbers of work CDRs processed, the number pending, and the cessation rate due to work activity. SSA should be required to maintain and produce such data. In processing the medical issue CDRs, SSA contends that for every dollar spent, seven to twelve dollars in benefits are saved. The cost savings are greater for "work" CDRs since the cost of medical decision-making is eliminated, and the cessation rate on work issues is higher. AFGE estimates cost savings approaching \$30 to the Trust Fund, for every dollar spent. Investing in the ESR position is a perfect example of applying stewardship responsibilities effectively and investing resources in a high cost: benefit manner.

The Evaluation Report recommends that the ESR should be made a permanent position within SSA, and that the ESR position be expanded to as many SSA offices as possible. The Report cautions: "Failure to institutionalize a position to perform the duties that the ESR has piloted could in effect deny the public and community the opportunity to interact with an accessible and responsive SSA specialist. This could eliminate an important element in SSA's plan to improve its employment support service delivery to the public. It could also negatively affect our ability to effectively train and advise other SSA staff in the provisions of the law, with implications for increased incorrect payments and the denial of benefits to beneficiaries." Community organizations, BPAOs and other advocates for the disabled, and the Ticket to Work Advisory Panel's Annual Report to the President and Congress, Year Two have endorsed these conclusions as well.

Unfortunately, SSA does not plan to implement the ESR position, due to shortages of staff and resources in field offices. SSA's latest strategy is apparently a combination of: training all employees again on work incentives, providing "systems enhancements" and designating additional duties called "Work Incentives Liaison (WIL)" or "Work Incentives Specialist (WIS)" as collateral functions of existing Claims Representatives, Technical Experts, Management Support Specialists, Public Affairs Specialists, or other management personnel.

The ESR Evaluation Report addressed the ineffectiveness of this approach: ". . . Currently, these types of activities are handled by a myriad of positions—including management, field representatives, public affairs specialists, and claims representatives. Usually, all of the activities related to Return To Work (RTW/WI) are split among these various positions; there is no single point of contact. Many Field Offices have a designated employee identified as a work incentive liaison (WIL), but this duty is but a small portion of the overall job responsibilities of the WIL. Experience shows that the WIL is often not an effective answer in carrying out SSA's new RTW/WI responsibilities."

SSA's latest strategy of adding this workload as collateral duties to that of employees already overburdening with many workloads and priorities will set SSA back to the point that the public outcry led to enactment of legislation to begin with.

SSA also touts systems enhancements in processing return to work as another reason a dedicated specialist is not needed. Planned systems enhancements, such as Modernized Return to Work (MRTW) and Disability Claim File (DCF) are but a piece of improving service and complying with Congress's mandate in the legislation. Following are comments from ESRs addressing the role of dispersing return to work duties and systems enhancements in performing their functions:

- "Congress should be concerned with the person being treated fairly and getting the full benefit of the law, not just how many work CDRs were cleared for an office. Cases laid for 2-3 years and were never worked and then the claimant had a tremendous overpayment to pay back. The whole point in the ticket legislation calling for this position was to correct what was going on in the offices."

- “The other part of our job, which has been the outreach, has been an invaluable service to the public. I have provided training in most offices in my state on the MRTW and Work CDRs. Still, most of the CRs, SRs and even TEs in the field do not know work CDRs. They also were stupefied by the complexity of the MRTW. It’s not that they can’t learn it, it is that they don’t have time for it!”
- “These relationships, both with the claimants and beneficiaries, and with the community, are essential if we are to be serious in our endeavor to help individuals with disabilities to work. The CRs, though most of them are excellent servers of the public, cannot be dedicated to only the task of work issues. There are just too many other issues to be dealt with. It was necessary to have the “dedicated” language in the legislation because an effort like this merited one on one and on going attention. That was the problem with the WILs; they were not dedicated and they could not concentrate on the problem of work issues. This is the reason we have so many overpayments. However, if you dedicate someone to be the point person for these issues, then you curb these negative effects.”
- “The ESR acts as an ombudsman to the community, resolving public relations problems, solving complex work incentive issues, teaming with community leaders to form best practices in addressing vocational needs in their area, and acts as an expert resource for field office employees. There is no computer program that can “take over” for these duties.”
- “Additionally the outreach fosters better relationships with organizations. This eliminates the fear factor and fosters faster reporting, which also minimizes overpayments. Overpayments are a major disincentive to keeping the disabled in the workforce. When claimants receive an overpayment letter the most likely course of action is for the person to stop working. This is particularly true when the nature of the impairment is mental rather than physical. The added stress of the overpayment very frequently is enough to trigger a relapse.”

AFGE believes an Agency decision not to implement the ESR would be a tragic mistake when the ESR has proven to be a winner for all parties. For SSA, it shows superb service to the public, provides stewardship in reducing benefits and overpayments, and results in SSA compliance with the legislative mandate for work incentive specialists within SSA. For the public, it provides stellar service, a single point of contact, and assists beneficiaries in leaving the disability rolls. For the taxpayer, it saves money and prolongs Trust Fund solvency.

AFGE respectfully poses this question to members of this subcommittee: How many of you are aware of spouses, siblings, children, or close friends or relatives who are disabled and could potentially seek assistance from Social Security in return to work? What kind of service are they entitled to receive? By implementing the ESR, SSA has the opportunity to provide service long overdue.

AFGE requests that Congress and this Subcommittee support legislation to provide the additional resources to SSA to meet the requirements of the Ticket to Work and Work Incentives Improvement Act and fund a “work incentives specialist within SSA”. Legislation is also required for continuous funding beyond FY 2004. AFGE requests this Subcommittee support an amendment proposed to HR 4070 to provide such funding, which is currently before the Senate Finance committee. A copy of this amendment is attached to this statement. It would cost approximately 120 million dollars to staff SSA’s 1300 field offices with 1500 ESRs. The potential return of \$3.5 billion indicates that this would be a prudent expenditure. Additionally, legislation should also require SSA to report on continuance and cessation rates of work issue CDRs, overpayments due to work cessations, and benefits saved the Trust Fund by work cessations.

AFGE thanks the Subcommittee for its consideration of the issues raised in this statement.

National Rehabilitation Association
Bethesda, Maryland 20814
October 10, 2002

Chairman Shaw, Ranking Member Matsui, and Members of the Subcommittee on Social Security, I am proud to serve as the Director of Governmental Affairs of the National Rehabilitation Association (NRA). I am also the parent of a child with multiple, significant disabilities.

I have requested, and have received, the concurrence of the President of the NRA and the Executive Director respectively, John Lui and Michelle Vaughan, to response to what I, and they, consider to be very unsettling—and more importantly unsubstantiated—testimony presented by some in the disability community to the Members of the Subcommittee on Social Security.

The National Rehabilitation Association was founded in 1925 and is the longest-standing and one of the strongest advocates ensuring that the rights of individuals with disabilities are both respected and realized.

With Chapters in all 50 States, the NRA's mission is to provide advocacy and awareness for the employment of qualified professionals in the field of vocational rehabilitation. The NRA has a national membership of nearly 10,000, comprised of consumers, physical, speech and occupational therapists, qualified rehabilitation counselors, private providers, career counselors, and others who provide employment services on behalf of individuals with disabilities.

I appreciate the opportunity to respond to written and oral testimony to the September 26, 2002, Subcommittee hearing examining the implementation of the Ticket to Work and Work Incentives Improvement Act (P.L. 106-170), with a specific focus on the role of the Public Vocational Rehabilitation Program in this implementation.

As a preface to responding to certain testimony presented at this hearing, I would like to provide a brief background of the Public VR program which has been engaged in decades in productive, private/public partnerships.

Like you, the National Rehabilitation Association strongly believes in the dignity of work and the power of partnerships, while recognizing that those partnerships, if they are to be truly productive for individuals with disabilities, must fully recognize and respect the integrity of the programs administered under the Rehabilitation Act of 1973, as amended (also known as the Public Vocational Rehabilitation (VR) Program).

The Public VR Program, which is authorized under the jurisdiction of the House Education and the Workforce Committee and the Senate Health, Education, Labor and Pensions Committee, respectively, is an eligibility employment program which just last year served approximately 1.2 million eligible individuals with disabilities—many of whom were individuals with significant disabilities—placing more than 233,000 eligible individuals into competitive employment.

The Public VR Program is housed in the U.S. Department of Education's Office of Special Education and Rehabilitative Services (OSERS) and is administered by the Commissioner of the Rehabilitation Services Administration (RSA) in the U.S. Department of Education and in conjunction with its State Partners.

The Public VR Program is a successful service delivery system that exemplifies the ABCs of public vocational rehabilitation—it is Accountable, Bipartisan, Comprehensive and Cost-Effective, with ample supporting documentation, which I believe makes it one of the most successful, accountable education and job training programs in the history of the workforce world.

The Public VR Program has been serving, and continues to serve, Social Security Disability (SSDI) and Supplemental Security Income (SSI) beneficiaries/recipients, who are presumed eligible under the VR Program since many of these beneficiaries are individuals with the most significant disabilities.

Indeed, 38 States are presently on an Order of Selection (OOS) which, mandated by the VR statute, places a priority on individuals with the most significant disabilities who walk or wheel through VR's doors.

When the originally-titled "Work Incentives Improvement Act" (WIIA), was proposed by the Congress, the principal reason for this legislation was to help alleviate the single greatest barrier to SI/DI individuals entering or re-entering the world of work—that of losing their precious Medicaid benefits if they exceed the Substantial Gainful Activity (SGA). Indeed, according to the U.S. General Accounting Office (GAO), less than one percent of SI/DI individuals will choose not to seek employment services from the Public VR Program, or any other Employment Network (EN), because employment that produces income in excess of \$750 per month for non-blind, disabled individuals and \$1,200 for blind individuals, results in forfeiture of their health care Medicaid coverage.

The loss of health care coverage for those SI/DI individuals who want to work is many times missing in the discussions as the overarching reason why the original Work Incentives Improvement Act (now TWWIIA) was proposed.

One of the issues that I (and I assume others) had advocated for in this legislation was safety net legislative language for the States should a downturn in the economy occur. This argument was, understandably, a hard-sell in a record-booming economy that most of us thought would never end. Now that the booming economy has ebbed, it is not surprising that some States which agreed to participate in the Medicaid buy-in are, understandably, reconsidering (at least for now) their participation in

the Medicaid buy-in option under TWWIIA. Those States include, Georgia and Florida, and there may be others of which I am unaware.

Given only a brief background of the original intent of the Work Incentives legislation, I would now like to address what I consider to be unsubstantiated testimony from a few of the advocates who testified before your Subcommittee.

As I know you fully appreciate, anecdotal allegations of fraud, waste and abuse have never been, nor are now, acceptable venues of veracity.

The anecdotal allegations advanced by certain advocates testifying before the Social Security Subcommittee on September 26, 2002, that the VR Agencies were "raiding" the Ticket and strong-arming customers into depositing their Tickets with Public VR attempted to paint the public VR Program with the broad brush of being the bully on the block, rather than the best on the block.

These faceless—and in most if not all cases baseless—charges should never find a forum in the U.S. Congress or in any Body that enjoys a reputation of fundamental fairness.

With all due respect, the Social Security Administration cannot have it both ways. The Public VR Program has served and will continue to serve SI/DI individuals with the same respect and responsibility that has characterized the Public VR Program throughout its 82-year history.

Because SI/DI recipients/beneficiaries are continuing to choose the Public VR Program over other Employment Networks may have nothing to do with anecdotal allegations and much more to do with inadequate information and incentivization from SSA to all ENS (including VR) regarding their participation in the Ticket to Work program. Indeed, it speaks volumes to me that only 400 additional Employment Networks (additional to VR) have opted to become Employment Networks in the States.

Relatedly, I believe that the Social Security Administration must recognize its responsibility to the Congress and the American public, especially to those individuals with disabilities, to provide clear, crisp and consistent regulatory and sub-regulatory guidance. That sought-after succinct and consistent guidance has been absent the Ticket process from the beginning and is causing enormous confusion and frustration in the States, with ENs and among individuals with disabilities.

One final, important consideration. All private employment networks have the option, under TWWIIA, to refuse to serve any SI/DI beneficiary. This option is especially concerning regarding individuals with the most significant disabilities, many of whom are SI/DI individuals, and are the most costly and challenging to serve. This, to me as a parent of a child with multiple, significant disabilities, qualifies as one of the greatest disability disconnects in D.C.

While private ENs can pick whomever they choose to serve, the public VR program presumes that SI/DI individuals are eligible for services from the successful State/Federal, public/private partnership known as the Public VR Program which has been serving millions of eligible individuals with disabilities for more than 82 years with the dignity and dedicated and qualified staff that individuals with disabilities deserve and demand.

Thank you for the opportunity to share with you the National Rehabilitation Association's views, and those of myself both as a professional and as a parent. We appreciate this opportunity for outreach to you and are ready to work with you in the future as we have in the past.

Respectfully submitted,

Patricia C. Leahy,
Director of Governmental Relations

