

**THE SOCIAL SECURITY ADMINISTRATION'S
EMPLOYMENT SUPPORT PROGRAMS
FOR DISABILITY BENEFICIARIES**

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

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**THE SOCIAL SECURITY ADMINISTRATION'S
EMPLOYMENT SUPPORT PROGRAMS
FOR DISABILITY BENEFICIARIES**

TUESDAY, MAY 19, 2009

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

The Subcommittee met, pursuant to notice, at 2:03 p.m., in Room 1100, Longworth House Office Building, Hon. John S. Tanner (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
May 12, 2009

CONTACT: (202) 225-9263

Congressman Tanner Announces a Hearing on the Social Security Administration's Employment Support Programs for Disability Beneficiaries

Congressman John S. Tanner (D-TN), Chairman, Subcommittee on Social Security, today announced a hearing on the Social Security Administration's (SSA's) employment support programs for disability beneficiaries, including the Ticket to Work program. **The hearing will take place on Tuesday, May 19, 2009, in the main Committee hearing room, 1100 Longworth House Office Building, beginning at 2:00 p.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 Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

The Social Security disability program provides essential income security for millions of Americans who are unable to work due to significant disabilities or disabling illnesses. However, SSA also has an array of policies and programs designed to facilitate the employment efforts of those beneficiaries who are able to attempt to work despite their impairments.

SSA's employment support programs have a number of components. For decades, the Social Security Act has included work incentive policies that are designed to allow beneficiaries to test their capacity to sustain work, and to provide a transition period between benefit receipt and employment.

In 1999, Congress passed Public Law 106-170, the *Ticket to Work and Work Incentives Improvement Act (Ticket to Work Act)*, with the goal of further strengthening employment supports for Social Security disability beneficiaries. This legislation established a number of new programs and policies.

A central component of the legislation was the Ticket to Work and Self-Sufficiency program (Ticket to Work program), a program to expand choice in vocational rehabilitation providers. Under this program, SSA provides eligible beneficiaries with a "ticket" that can be used to obtain employment services from a provider participating in the program. These providers are referred to as Employment Networks (ENs), and they include State Vocational Rehabilitation agencies as well as other private and public (non-Federal) providers of employment support services. Participation in the Ticket to Work program is voluntary for the beneficiary and for the provider, and payments to ENs are tied to employment outcomes.

The Ticket to Work program was fully implemented nationwide in 2004, but the participation rate for both ENs and beneficiaries was lower than expected for the first several years after implementation. To improve the program and increase participation, SSA issued new regulations effective July 2008, and has significantly increased outreach and marketing. The results of the Ticket program have been closely monitored by an external evaluator, and a rigorous evaluation of the revised program is ongoing.

The *Ticket to Work Act* also authorized two programs now known as the Work Incentive Planning and Assistance (WIPA) program and the Protection and Advocacy for Beneficiaries of Social Security (PABSS) program. Under the WIPA program, SSA funds community-based organizations to assist beneficiaries in understanding SSA's complex work incentives policies and the effect of working on their benefits. Under the PABSS program, SSA funds protection and advocacy systems to provide advocacy services to help beneficiaries secure, maintain, or regain employment. The authorization for both programs will expire on September 30, 2009.

SSA is also developing or conducting several demonstration projects to test new work incentive policies for Social Security disability beneficiaries, including a sliding scale benefit reduction. However, because SSA's demonstration authority for disability insurance beneficiaries expired in December 2005, SSA can continue demonstrations already initiated, but cannot begin new projects. Reports issued by the Government Accountability Office in 2004 and 2008 raised concerns about SSA's management of its demonstration projects and made recommendations for ways to strengthen their planning and implementation.

In addition, an April 2009 report by the SSA Inspector General found that SSA was not acting quickly enough to terminate the benefits of disability beneficiaries who lose eligibility because they have returned to work. This has been a long-standing concern. Past testimony before the Subcommittee has reported that former beneficiaries have been overpaid tens of thousands of dollars due to SSA's delays in terminating benefits, even if beneficiaries have informed the Agency that they are working. The threat of receiving large overpayments which must later be repaid can be a significant work disincentive for disability beneficiaries. In addition, the failure to terminate benefits in a timely way increases costs to the Social Security Trust Fund, as overpaid funds may not be completely recovered.

In announcing the hearing, Chairman Tanner said, "**Social Security beneficiaries who strive to return to work despite severe disabilities face many barriers. In 1999, Congress passed the *Ticket to Work Act* to make their path easier. We look forward to learning more about how Social Security's employment support programs are working and how we can make them even more efficient and effective. We will also examine the continued payment of benefits to individuals who have returned to work, the hardships these overpayments create for the individual, and the negative effect such payments have on the Social Security system.**"

FOCUS OF THE HEARING:

This hearing will assess the impact of SSA's recent efforts to improve the Ticket to Work program. The hearing will also examine the implementation and effectiveness of the WIPA and PABSS programs, delays in processing reports of earnings by disability beneficiaries, and SSA's plan to strengthen its demonstration authority.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://democrats.waysandmeans.house.gov>, select "*Committee Hearings*." Select the hearing for which you would like to submit, and click on the link entitled, "*Click here to provide a submission for the record*." Once you have followed the online instructions, complete all informational forms and click "submit" on the final page. **ATTACH** your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, by close of business **Tuesday, June 2, 2009**. **Finally**, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721.

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it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item 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. All submissions and supplementary materials must be provided in Word or WordPerfect format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies 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. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission 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 TDD/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 TANNER. If we could come to order, I just got a buzzer. The best laid plans of mice and men. We are going to have three votes in about 15 to 30 minutes. So we will try to go ahead and get started so we can—probably have to suspend for a few minutes, if you will allow that.

But I thank all of you for being here, to the Social Security Subcommittee hearing today, which will focus on employment support programs for disability beneficiaries, the results thereof. We want to talk about the implementation of the marketing efforts that SSA has undertaken to help people get back into the workforce who so desire and who are able to accomplish that fact. And we also want to touch on the continuing disability review procedures.

I want to thank our Ranking Member, Mr. Johnson, and other Members of the Subcommittee who are here today, and talk just a minute about the programs here, the Ticket to Work Act that was adopted by Congress in 1999 to try to help people who were on disability gain gainful employment in the workforce, should they be able to do so. And it was disappointing, in the least, in that it failed to—in the initial stages—to attract the kind of significant participation from both the employment services providers and beneficiaries.

And so, last year the Social Security Administration issued some changes that show some promise. And we want to focus on those today and see if there are other things that we can do, as a Subcommittee, to help with this program. We are going to focus in that regard on the PABSS and WIPA programs that provide advocacy and personalized assistance with work incentives to help beneficiaries who want to go back into the workforce.

These programs—the authorization of these programs, will expire at the end of this fiscal year, and we want to use this hearing

as a groundwork to see what we need to do in that regard, and we also want to look at the overpayment situation from beneficiaries who have returned to the workforce, yet still are receiving disability benefits. They are a burden on those people who so receive, and of course it results in inadequate funding to the Social Security Administration.

We have some very stimulating testimony to hear today. And with that, I would like to turn it over to Mr. Johnson for any comments you might have. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman. Looks like you misjudged that vote.

Chairman TANNER. I know it.

Mr. JOHNSON. Or they did. As the Chairman indicated, this Act was implemented in 1999. What we wanted to do was try to get people back to work. And thanks to many, Social Security assembled, piece by piece, a new ticket to work, to issue tickets and pay for services available to over 10 million people receiving benefits. They've worked to educate those receiving benefits and the public about the program, recruited new service providers, known as employment networks, and developed and implemented new program rules.

By September of 2004, when the program was fully phased in, over 11 million tickets had been issued and all State vocational rehabilitation agencies and 1,300 employment networks were enrolled in the program. Unfortunately, these achievements were followed by serious setbacks. Congress anticipated the new programs would need to be adjusted, and provided the commissioner the authority to make the fixes along the way.

But Social Security's ability to find problems and implement solutions has been slow. For example, new program regulations initially proposed in 2005 were met with broad praise, but took more than 3 years before finally being put into place. Even molasses would be embarrassed if it moved that slow.

[Laughter.]

Mr. JOHNSON. This delay took the wind out of the sails of the Ticket program. Employment networks withdrew, recruitment of new networks stalled, and concerns that the program wasn't working spread.

In addition, real choice of service and who provides the service has barely materialized. As of December 2005, less than one-half of the 1,300 employment networks had accepted a ticket to provide services, and 88 percent of the tickets used were assigned to State vocational rehabilitation agencies under the traditional system in place before the program was created.

Most importantly, in a report issued last summer, Social Security's Office of the Inspector General found that in fiscal year 2005 Social Security made a payment for services resulting in work for 3,800 of the 10 million who had received a ticket, or less than one-tenth of 1 percent. The report concluded that "implementation of the Ticket program did not appear to increase the percentage of disabled beneficiaries who returned to work, nor realize the outcomes and savings envisioned by the Congress."

Put simply, we were spending money and not getting any results. Last week, we learned Social Security's looming insolvency is

worse. And in just 11 years, there won't be enough payroll tax to pay full disability benefits. At the same time, the American people face unacceptable delays when they visit or contact a local Social Security office, call the 800 number or wait over 16 months for a decision on their disability appeal before an administrative law judge.

Now, more than ever, how every taxpayer dollar is spent matters. Programs that don't achieve results must be fixed, or they ought to end. Fortunately, we are beginning to see promising signs of success in the Ticket program, since new regulations were implemented last summer. And our witnesses on the first panel will remind us of the positive impact the Ticket program can have when it works.

The question we need to answer today is, can we get the Ticket program to achieve the results Congress and the taxpayers expect, and those with disabilities deserve? Thank you, Mr. Chairman.

Chairman TANNER. Thank you, Mr. Johnson. The Chairman would ask unanimous consent that all Members who wish to insert an opening statement in the record be allowed to do so without objection.

And what I think we can do—we have 15 minutes, and we have these two witnesses, Ms. Clark and Ms. Christensen. I would ask you, if you could, to hold your oral testimony to 5 minutes. We will, of course, accept—without objection, any statements you may wish to put into the record will be happily received. But I think that we can have their testimony before we have to go vote, and then we can move swiftly when we get through voting to come back and reconvene.

So, Ms. Clark, we are delighted to have you here today, and you are recognized.

**STATEMENT OF ROBIN CLARK, TICKET TO WORK PROGRAM
PARTICIPANT, LARGO, FLORIDA**

Ms. CLARK. All right. Thank you, Mr. Chairman, and Members of the Subcommittee. Like you said, my name is Robin Clark, and I am a participant of the Ticket to Work program. And thank you for inviting me here today.

I remember panic, anxiety, fear, and the realization that my nursing career was over. In the middle of a night shift working with a mother about to give birth, the doctor was present, the baby's head was beginning to crown, and then came flashes of memory: The feeling of terror, physically sick, unable to breathe, panic, and the intense need to escape.

I excused myself from the room, walked to the nurse's desk, requested another nurse be sent to assist in the delivery. There must have been something in my voice or my manner. I only remember knowing that a nurse went into the room. Knowing that my patient was cared for, I walked outside and rapidly progressed from shaking to crying to sobbing. I have no memory of how I got home that night. The last night I worked as a labor and delivery nurse was on October 27, 1998.

I am a registered nurse, and also have a bachelor's degree in education. As a registered nurse, I was trained to care for others. Somewhere along the line, I forgot to care for myself. That night

was a culmination of years of developing physical and emotional stresses that I never dealt with, trying to continue to do a job that I was really unable to do at that point.

I had multiple diagnoses of depression, anxiety panic disorder, post-traumatic stress disorder. And, at that time, due to medication and other issues, my weight had escalated to 425 pounds. I am sure I don't have to review all the list of back and other medical conditions and co-morbidities that went along with that. I couldn't stand for more than 5 minutes, I couldn't walk. I couldn't do basic household chores to care for my family, shop, or anything like that, not to mention panic-anxiety attacks when I went out in public.

Suicide for me often seemed to be the only option. My mind's image of my life at that time is best described as a long, deep black hole with sporadic tree branches. I was falling at a rapid rate of descent. I was dying. Initially, just free-falling, and then, with help, I reached out and grabbed onto a branch, stopping the fall.

I remember thinking, somewhere along the line, as I did start to feel better, that I did still have a brain, and that I was capable of learning. I had proved that before. In June 2002, I received a letter from Social Security Administration, informing me of this new program, the Ticket to Work. My ticket—originally, I was contacted with a confirmation letter and never heard from the Agency again.

Then, in 2003 I was notified that my ticket had been reassigned. At that point, I contacted Paula Vieillet at Employment Options, and made an appointment to work with her. I was embarrassed when I made that appointment because here I was, with two degrees, a supportive husband and a family. Why am I in this situation? I shouldn't be here.

I worked with Paula, and learned to write resumes. You would think, as a professional, I would have been better at writing resumes, but no, I wasn't, because after I got my first nursing job, I never interviewed for another job, because recruiters came to me. I had a specialty certification, and I was known in my community as a good nurse.

My first job attempt was in July 2002, as a home health nurse, but I was unable to stand long enough to do the more complex treatments. I worked with Paula, who was very encouraging. The techniques that she had which helped was she had a book that she wrote, which was teaching people in their rights in the job, in the Americans with Disabilities Act, that I didn't have to disclose my disability, but that I had to define and redefine what—a job I was able to do. She taught me on interview skills. She coached me on techniques such as, you know, making the followup phone calls afterward, guidelines for dressing.

Most of all, what I received from Paula was if I didn't get a job offer I still had worth as a person, realizing that, with each job, I was gaining, you know, new skills.

I had taken a position with a substance abuse treatment facility doing utilization management. It was low-paying for what nurse salaries go, but again, I wanted to work. The stairs there were an issue. There was supposed to be an elevator, but there was no elevator that ever worked. Eventually, I did end up leaving that position because they also eliminated the utilization management department.

Then, in February 2005, I started working for a company that did computer Medicaid in-patient reviews. That was something I could do. I progressed from there. Today I am 200 pounds lighter, and I work as a nurse, doing telephonic medical case management for Medicaid and Medicare members, which is interesting. Lots of times, when my members are ready to return to work—I have plenty that are on disability—I try to refer them to vocational rehab and a Ticket to Work program.

I would like to thank you for this opportunity to tell my story, as this month I have been off of cash benefits for 5 years. I received the cash benefits for 5 years. I have been off for 5 years. And this month I graduate from the Ticket to Work program. Thank you.

[The prepared statement of Ms. Clark follows:]

**Prepared Statement of Robin Clark,
Ticket to Work Program Participant, Largo, Florida**

Mr. Chairman and Members of the Subcommittee, my name is Robin Clark. I am a participant in the Ticket to Work program. Thank you for inviting me here today.

I remember panic, anxiety, fear, and the realization my nursing career was over. I was in the middle of a night shift working with a mother about to give birth, the doctor was present, the baby's head was beginning to crown, and then came the flashes of memory: The feeling of terror, physically sick, unable to breathe, panic, and the intense need to escape. I excused myself from the room, walked to the nurse's desk, requested another nurse be sent to assist in the delivery. There must have been something in my voice or my manner, I only remember knowing a nurse went into the room. Knowing my patient was cared for I walked outside and rapidly progressed from shaking, to crying, to sobbing. I have no memory of how I got home that night, as much of my life at that time is overshadowed by the illness. The last night I worked as a labor and delivery nurse was October 27, 1998.

I am a registered nurse and also have a bachelor's degree in education. As a registered nurse, I was trained to care for others. Somewhere, I forgot to care for me. That last night culminated in years of treatment for depression and multiple physical conditions. I was hospitalized for depression, unable to find medication with side effects with which I could live or work. They affected my memory. I had tremors, headaches, body aches, visual changes and over a 5 year period I gained 125 pounds. It was no longer fair to my family, my co-workers nor my patients to ignore. So in 1998 I took a medical leave from my job and in March 1999 filed a claim for Social Security disability benefits.

I was diagnosed with clinical depression, anxiety/panic disorder, post traumatic stress disorder and my weight had reached 425 pounds. My many co-morbidity's included sleep apnea, a fatty liver, elevated liver enzymes, diabetes, severe degenerative disc disease, facet syndrome, bone spurs in both thoracic and lumbar regions, spondylolisthesis and spinal stenosis. Translation ... physically there was constant pain; I could not stand for more than 5 minutes at a time, shortness of breath, could not shop for even the basics, most all daily activities had to be adapted to sitting down. This by the way is how I had continued to work as long as I did in a highly physical job, adapting and choosing assignments when I could. I had trouble walking to the mail box. I became housebound, retreating into a deep depression. I had worked since the age of 14 years, that is what you do, you work. I had worked as a nurse since 1979, 19 years. At that point I think I was in bed for 6 months, paralyzed by pain and depression, rapidly becoming agoraphobic. If I would try to attend a normal event like go to a school open house, I could not. If physically I was able to get into the building, I would have to leave when an anxiety attack would take over. Suicide often seemed to be my only option. My minds image of my life at that time is best described as a long, deep, black hole with sporadic tree branches—I was falling at a rapid rate of descent, I was dying. Initially just free falling. Then, with help—I reached out and grabbed onto a branch. Stopping the fall.

Medications, psychologist, psychiatrist, medical doctors, priest, family and prayer, all lifesaving tools. I began to feel better. I remembered I had a brain and was capable of learning. Just because the body could not work in familiar nursing or education positions, I began to think about exploring my options. First I got involved with a volunteer position at church and assisted in the opening of a pregnancy crisis center.

In June 2002 I received a letter from the Social Security Administration informing me of this new program called the Ticket to Work. I was assigned to an agency that other than a confirmation letter never met with me. In March 2003 I was notified my "Ticket" had been reassigned. I contacted Paula Vieillet at Employment Options making an appointment to meet. She explained the program and encouraged me to work with her. I was embarrassed as here I was with two degrees, a supportive husband and family. I should not be in this situation.

Working with Paula involved learning to write resumes. I had minimal experience with resumes because after I got my first nursing job I never applied for other jobs, the recruiters came to me. I had a specialty certification and colleagues in my community knew I was a good nurse. My first job attempt, July 2002, was as a home health nurse but I was unable to stand long enough to do the more complex treatments and left after 2 months. In June 2003, I interviewed and received a position at a substance abuse treatment facility doing utilization management chart reviews. A major barrier to this job was my office was on the second floor and the elevator was always broken. The pay was low as nursing salaries go, \$14 per hour, and as it became more difficult to climb the stairs, thankfully, the company eliminated the utilization management department.

Paula was very encouraging as we continued exploring the job market. I was looking at case management positions, a job title with many interpretations and surprisingly difficult to get a position in without "experience." Paula worked with me on interview skills, post interview techniques, guidelines for dressing and most of all if I did not receive a job offer to realize—I still had worth as a person. The encouragement and support provided along the way perhaps was the most useful to myself: Realizing with each job I was gaining new skills.

In February 2005, I went to work for a company doing inpatient medical reviews for the State of Florida Medicaid program. This was a computer-based company, this I could do! I used my 20-plus years of nursing knowledge while developing more skills. I became proficient in the company's computer program and processes. When awarded a new commercial contract a manager requested I join her case management team. I had worked for 2 years when I received a diagnosis of cancer which required I take a medical leave for surgery and radiation therapy. One of my fears was how will this effect my ability to continue working. I did return and, after being back for a few months, was recruited by a larger company with a large and developing case management department. The money was \$12,000 more a year with equal benefits. A difficult decision, as I felt a certain amount of loyalty to a company that had given me my first real opportunity at re-entry into the workforce. However, the professional opportunity was one I needed to explore.

Today, I am 200 pounds lighter, I work as a nurse doing telephonic complex medical case management with Medicaid and Medicare members and plan to take the national exam for certification in case management this year. I have been in my current position for 18 months, serve on the Policy and Procedure committee, orient new nurses, requested to be in the first group implementing a new computer program and recently was asked if I would be interested in applying for a management position within our case management department. I do continue to suffer from chronic pain and continue to have physical limitations but have progressed to where I can now walk for 30 minutes, in fact I can walk a mile. I can do grocery shopping, housework and actually can go to the mall. I volunteer at my church and I am the catechist for the youth group. Recently I was able to go to Washington State to help my daughter and her husband with the birth of their second child. Three years ago this would not have been possible, 10 years ago unthinkable.

The Ticket to Work program offered me a way back to work, a way back to my life. Not losing benefits while trying to find the correct job helped me make the attempts, as the loss of benefits was a real concern. My case worker with Social Security, Ms. Fitchpatrick, was another great resource, answering my questions and confirming the details about this program. In my current position I occasionally have the opportunity to recommend the Ticket To Work program to my Medicare members on SSDI when exploring their readiness for re-entering the workforce. An offer of choice, an offer of hope.

Thank you for this opportunity to tell my story as this month my ticket expires.

Chairman TANNER. Thank you, Ms. Clark. May I apologize in advance, Ms. Christensen? We don't have time. We have to go vote. They have this unreasonable expectation that, no matter what you are doing, you are supposed to come vote.

So, if you will allow, we will go vote, and we should be back within maybe 20, 25 minutes, hopefully. We will stand in recess.

[Recess.]

Chairman TANNER. If we might come back to order, the good news is those were the last votes of the day, so we won't impose that on the witnesses or our guests today.

So, Ms. Clark, thank you very much for your testimony.

And, Ms. Christensen, you are recognized.

**STATEMENT OF BOBBIE CHRISTENSEN, TICKET TO WORK
PROGRAM PARTICIPANT, MESA, ARIZONA**

Ms. CHRISTENSEN. Thank you for inviting me today, Mr. Chairman. My name is Bobbie Christensen. I was born with Cerebral Palsy. Cerebral Palsy, as you can tell, affects me specifically in my speech and it slows down all my physical movements. It affects everybody who has Cerebral Palsy in different ways.

I have been a Ticket to Work consumer for about 6 years. I moved to Arizona from Colorado because I fell in love with my fiancé, at that time, and he, unfortunately, passed away in a motor vehicle accident in December of 2001. That caused me to go through some major depression at that point. And the job I had at that point I lost because of the depression I was in.

About 6 months after that, my parents came down to assist me and help me figure out what I wanted to do. And I decided that I liked Arizona, and I wanted to stay there. So I decided to pull myself up by my bootstraps and get an apartment.

And, from that point, I called Arizona Bridge to Independent Living, asked them if they had a bus trainer. The first thing I did was get bus-trained, so I could get around. The second thing I did was contact Susan Webb at Arizona Bridge to Independent Living, employment division. She then assisted me in several interviews. About, I would say, a year into the process, she helped me get an interview with the State of Arizona. They also helped me prepare with the test to become a program evaluator. I eventually landed the job. I have been there for about 6 years now.

But about the third year into that process I was having some physical issues because of my Cerebral Palsy. And without the Ticket to Work program, I would not be able to afford the medical that I would need to continue to work. That is very important, even now, to still remain in my position, because without the attendant care that I receive now, I would not be able to work a full-time job.

So—and my goal is to stay off of State assistance, as long as I can. And hopefully that will be forever.

Access is a very important part of the whole entire program. And because of that, we need to keep this system going. And hopefully, a lot more people will be willing to do the program. Thank you very much.

Currently, I am married to a wonderful gentleman who was actually my bus trainer when I got bus-trained. And I am fully able to support myself on my job. Thanks to Susan and thanks to the Ticket to Work program, I have been off Social Security disability assistance also since 2001.

So thank you very much for giving me this opportunity. And if you have any questions, please ask.

[The prepared statement of Ms. Christensen follows:]

**Prepared Statement of Bobbie Christensen,
Ticket to Work Program Participant, Mesa, Arizona**

Mr. Chairman, Members of the Subcommittee, my name is Bobbi Christensen. I am a participant in the Ticket to Work program. Thank you for inviting me here today.

I was born with Cerebral Palsy. Each person with CP has different challenges. For me, my muscle movements are slow, including my speech, so it takes me longer to do things. It is fair to say, however, that my physical limitations are pretty significant. But having my disability since birth, it is just a part of who I am. I just do what needs to be done, including working.

I worked as a clerical assistant in the Sheriff's Office in Boulder County, CO for 8 years. During that time I also attended Front Range Community College. I earned an Associates Degree as a Paralegal Assistant and another in Computer Science.

I met a wonderful man, fell in love, and we decided to get married. He worked in Arizona so I moved there to be with him. Life seemed perfect until my fiancé was killed in a car accident. I was so depressed I lost my job and became homeless.

After 2 years I contacted the local Center for Independent Living, Arizona Bridge to Independent Living. I told them I needed help with learning the bus system and finding a job. It turns out that ABIL is an employment network under the Ticket to Work program.

I have participated in the Ticket to Work program for 6 years. ABIL helped me with job searching. They had a relationship with the Human Resource Manager for the State of Arizona Department of Economic Security. DES was hiring about 100 Eligibility Interviewers at the time. ABIL helped me with the rather complicated application process, including providing me with a book to study in preparation for an exam I needed to pass to be considered for the job.

Just as important as helping me get the job in the first place is the availability of post-employment services. There have been several occasions when I needed help with accommodations, including a transfer from one office to another and evaluating my work station to identify solutions to some of the problems I was having with the way things were arranged.

In addition to direct employment services, it is a real advantage that I can keep my State health care coverage (called AHCCCS in Arizona). I need attendant care, and even though I have great insurance coverage for medical, it doesn't provide the attendant care. Without that I would not be able to work.

Life is good for me again. Along the way, I met and married my best friend, Scott. We have been married for 4 years.

My original intent for returning to work after 2 years of depression was because I had no one else to depend on for support. What I discovered, however, is that returning to work actually helped pull me out of the depression. The Ticket to Work program gave me that opportunity.

I really hope many other people with disabilities can find their way to this program and achieve the success in their life that I have in mine.

Once again, thank you for the opportunity to share my story. I'd be happy to answer any questions.

Chairman TANNER. Well, thank you very much, Ms. Christensen, and also Ms. Clark. Your testimony is truly inspiring, and gives, I think, hope to those who may wish to join the Ticket program in the future. And we certainly appreciate you being here and telling us of the benefits that the program has afforded you, and hopefully thousands of others in the future, as we try to help those people who are capable of working and who desire to work to do so. It is truly an inspirational story that you both have, and we thank you for sharing it with us.

Mr. Johnson, do you have a question?

Mr. JOHNSON. No, thank you, Mr. Chairman. I just want to echo what has been said. Thank you both for your testimony. It

was moving. We appreciate you all working the system for us—for America, really. Thank you.

Chairman TANNER. Mr. Pomeroy is recognized.

Mr. POMEROY. Thank you, Mr. Chairman. I want to join my colleague, Congressman Johnson, in saying what an inspirational panel. Each of you, thank you very much for your testimony.

It strikes me that the worst thing we can do, in the effort to try and help people, is to essentially force them away from their inclinations toward independence, force them to work on being dependant and disabled in order to continue to receive essential security.

I believe we have, in some instances, inadvertently crushed the spirit out of people to make certain their benefits weren't jeopardized. You want to have some—I think any one of us, we want to dwell on why we can't move forward? You know, we could pretty well convince ourselves we can't move forward. And the Ticket to Work changes all that dynamic.

And so, we have people with the heart and the guts that you have shown, each of you outstanding witnesses. You can reach independence, and we are going to help you every step of the way. And everybody is better off, at the end of it.

I am disappointed with the numbers, ultimately, that we have been able to reach through this program. I don't think we have—I had much bigger hopes for this program. And I don't quite understand why it has not been more of a tool for people getting back to work. And I will be—and that is part of my own education that I need to achieve.

But, bottom line, your testimonies let me know that, for those who want to, and are determined, you have a program that can help get you independence without sacrificing everything as you take the first steps down that road. So, congratulations.

And thank you, Mr. Chairman. I yield back.

Chairman TANNER. Ms. Brown-Waite, you are recognized.

Ms. BROWN-WAITE. Thank you very much, Mr. Chairman.

I read your testimony last night. I had some constituents here, so I wasn't actually here for your presentation. But certainly you two are perfect examples of why we need to have this program up and operating, and operating well. And my district is just a little bit north of Largo, Ms. Clark. I don't go down that far, but I call that the wealthy district. But it's a beautiful, beautiful area.

And I am so delighted that, as a nurse, you were able to return, not to the traditional nursing duties, but other necessary nursing work. My youngest daughter is a nurse, and I have often wondered if anything happened to her, how she could transition into something like this. Thankfully, you are a great role model, and I really appreciate the fact that you have the—what they call the old-fashioned work ethic, and my hat is off to both of you.

Thank you, Mr. Chairman.

Chairman TANNER. Thank you. Mr. Yarmuth, do you care to be recognized?

Mr. YARMUTH. Thank you, Mr. Chairman. All I can say is that I congratulate you on your successes, and thank you for sharing your stories with us. I can't think of a more compelling case for this program than you both have made.

And I would also just reflect for a second that this is one example of a number of programs across government where we actually have a very, very cost-effective program that returns many, many times its investment back to society and, of course, in this case, provides an incredibly important human benefit, as well.

So, I commend you both, again, for your successes, and thank you for being here. Thank you, Mr. Chairman.

Chairman TANNER. Well, thank you both very much. I think you can tell from the comments of the Members that your testimony has been both inspirational and effective. Thank you for being here. We now will excuse you all. We have a second panel. So, thank you so much.

Our second panel will be Ms. Sue Suter, from SSA; Ms. Cheryl Bates-Harris, on behalf of the Consortium for Citizens with Disabilities; Ms. Susan Webb, National Employment Network Association; Thomas P. Golden, President, National Association of Benefits and Work Incentives Specialists; Dr. Bruce Growick, the Ohio State University, Columbus, Ohio; and Dr. John Kregel, Virginia Commonwealth University in Richmond.

If you all could please take your seats, I have a statement for the record here that Mr. Astrue, the Commissioner of Social Security, has asked me to provide. And that is a commendation for Sue Suter for her public service.

[Applause.]

Chairman TANNER. She has been a dedicated advocate for people, it says, for decades. But as young as she looks, that has to be a typo. But she has been—significantly contributed to the Ticket to Work program and Social Security's efforts to expand its return to work initiatives, as well as many other endeavors. So thank you very much for your service, Ms. Suter.

And without any other interventions, Ms. Suter, I have you first on our list to be recognized. Thank you for being here, and congratulations on your commendation.

**STATEMENT OF SUE SUTER, ASSOCIATE COMMISSIONER FOR
EMPLOYMENT SUPPORT PROGRAMS, SOCIAL SECURITY AD-
MINISTRATION**

Ms. SUTER. And thank you for taking the time to do that. That was very nice.

Mr. Chairman and Members of the Subcommittee, my name is Sue Suter, and I am the Associate Commissioner for Social Security's Office of Employment Support Programs. I have spent much of my life working with individuals with disabilities to obtain and retain meaningful work, and I thank you for the opportunity to discuss our efforts to assist beneficiaries returning to work.

Encouraging beneficiaries to return to work has been a part of our disability program since its beginning. Both Title I and Title XVI of the Social Security Act include comprehensive work incentive policies designed to foster return to work. Thanks in large part to the Subcommittee's leadership, Congress passed the Ticket to Work and Work Incentives Improvement Act of 1999. Today I will discuss several programs established by the Ticket Act and briefly discuss the effect of work on benefits.

Congress established the Ticket program to expand the universe of service providers, and to provide beneficiaries choices in obtaining the services and supports they need to find, enter, and maintain employment. Beneficiaries' employment networks and State Vocational Rehabilitation (VR) agencies voluntarily participate in the program.

Under the Ticket program, we issue a ticket to beneficiaries who then have the option of using the ticket to obtain services from an employment network or EN, or from a State VR agency. Upon agreement with the beneficiary, the EN may supply various employment support services. When the beneficiary achieves certain work outcomes, we pay the provider.

Our early experience showed that the Ticket program did not meet our expectations. In response, we published several revised regulations that we believed would significantly enhance access to, and choice of services for beneficiaries which would, in turn, improve the likelihood that the beneficiary would return to work. These regulations became effective last July.

Specifically, the revised regulations increase payment rates to ENs, providing an incentive necessary to increase their participation, and allowing more people to use EN services. The regulations also encourage better coordination of services provided by State VR agencies and ENs.

I am pleased to say that in the 11 months since the new rules became effective, early data show promising trends in the number of new EN contracts, the number of people using ENs, and the number of individuals entering the workforce.

The Ticket Act also created two grant programs to supplement the assistance available at our field offices, and to help our beneficiaries understand the work incentive rules—Work Incentive Planning and Assistance (WIPA), and Protection and Advocacy for Beneficiaries of Social Security (PABSS) grants. Through our grants to organizations with ties to the disability community at the local level, these programs provide an alternative to the help available at our local field offices. This help includes disseminating information on Social Security work incentives, and providing advice on VR and other employment services.

Unless Congress re-authorizes these programs, funding for the WIPA program will end on March 31, 2010, and funding for the PABSS program will end on November 30, 2009.

The Ticket Act also granted Social Security authority to conduct demonstration projects to test how certain changes in the program would affect beneficiary work activity. Our authority to initiate projects under this provision ended in December 2005.

However, we have several projects initiated prior to that date now underway. We expect these demonstration projects to yield valuable insight on factors such as providing enhanced rehabilitation services, and health care to individuals with disabilities.

Finally, I would like to discuss the relationship between our return-to-work efforts and our continuing disability review process. To help protect the long-term health of the disability program, we strive to pay disability benefits only to eligible persons.

Toward the end, we periodically conduct continuing disability reviews to determine whether an individual still qualifies for dis-

ability benefits. We initiate a work CDR when a beneficiary voluntarily reports he or she is working, when a third party reports a beneficiary is working, or when wages are posted to an earnings record. Beneficiaries who demonstrate an ability to work, in spite of their medical impairment, may no longer continue to qualify for benefits.

We may delay completing some work CDRs because of competing high-priority workloads, or the complexity of our work incentive rules. We fully understand the confusion and the hardship that overpayments can cause, and we are exploring policy changes that can reduce overpayments.

In closing, we are taking a number of steps aimed at fostering return to work. The ticket program started slowly, but our new regulations have given new life to the program. We are on the right path to reducing those barriers within our control, so that every beneficiary can realize his or her fullest potential. With your support, we will continue to improve the service that we provide.

Thank you, and I would be happy to answer any questions that you may have.

[The prepared statement of Ms. Suter follows:]

**Prepared Statement of Sue Suter, Associate Commissioner
for Employment Support Programs, Social Security Administration**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss our efforts to help beneficiaries with disabilities return to work. We have been committed to encouraging beneficiaries to return to work since the disability program¹ began more than 50 years ago. Thanks in large part to this Subcommittee's leadership, Congress expressed its bipartisan support for expanding these efforts by passing the *Ticket to Work and Work Incentives Improvement Act of 1999* (Ticket Act). Among other provisions, this legislation established the Ticket to Work program (Ticket program), created two programs to help beneficiaries understand the work incentive rules, and authorized us to test the effect of certain changes in the disability program on beneficiaries' work activity.

We serve a diverse population of beneficiaries with disabilities through the Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs. SSDI and SSI beneficiaries represent a wide range of age groups and have different impairments, levels of education, work experience, and capacities for working. Assisting beneficiaries to return to work has been challenging, and helping these beneficiaries take advantage of employment opportunities remains one of our highest priorities.

Today, I will update the Subcommittee on the Ticket program, discuss the demonstration projects currently underway, and briefly discuss one of our program integrity measures. We believe recent changes to the Ticket program ensure that all beneficiaries have the opportunity to engage in productive work.

The Ticket to Work Program

The Ticket program is an important part of the Social Security Act's comprehensive set of work incentive policies designed to help beneficiaries with disabilities return to work. Other examples of work incentives include the Trial Work Period, which allows SSDI beneficiaries to test their work abilities for 9 months, and Expedited Reinstatement, which enables us to quickly reinstate benefits to beneficiaries who are unable to sustain their return to work. Our *Red Book* (which can be accessed online at <http://www.socialsecurity.gov/redbook/>) provides basic explanations for all of our work incentives.

Prior to the Ticket program, State Vocational Rehabilitation (VR) agencies were the primary entities that provided return-to-work services at no cost to beneficiaries. We would reimburse the State VR agency's costs if a beneficiary it served engaged in substantial gainful activity (SGA) for 9 consecutive months. (SGA is significant

¹The Social Security Disability program began more than 50 years ago and the Supplemental Security Income program began more than 35 years ago. In this testimony, "disability program" refers to both programs.

work normally done for pay or profit. For example, if a non-blind beneficiary earns above \$980 in a month this year, we consider that beneficiary to be engaged in SGA. We adjust the SGA dollar amount every year.)

The Ticket Act represented an historic milestone. It was the first time Congress explicitly recognized that while many people receiving disability benefits from Social Security want to work and could become able to work, they face a number of significant barriers that prevent them from reaching their employment goals. Congress established the Ticket program to expand the universe of service providers and to provide beneficiaries choices beyond the State VR agencies in obtaining the services and supports they need to find, enter, and maintain employment.

We do not expect the Ticket program to help every beneficiary return to full-time employment. However, even if the Ticket program were to help only a small number of beneficiaries return to work full-time, Congress noted that it could generate enormous savings. In 1999, Congress noted in the Ticket Act's findings that, if the number of beneficiaries who returned to full-time employment increased by only one-half of 1 percent, there would be \$3.5 billion in savings to the Social Security Trust Funds and the general fund of the Treasury.²

Ticket Program Overview

Under our current Ticket program rules, an SSDI or SSI beneficiary receives a Ticket to Work (Ticket) if he or she is at least 18 years old and younger than 65. We enter into contracts with Employment Networks (EN), which are qualified State, local, or private organizations that offer employment support services. We also contract with State VR agencies acting as ENs. We have also been working closely with the Department of Labor to expand the involvement of workforce investment boards and One-Stop Career Centers in becoming ENs.

Beneficiaries, ENs, and State VR agencies voluntarily participate in the Ticket program. A beneficiary who receives a Ticket may choose to assign it to any EN or to the State VR agency. An EN may decide whether to accept a Ticket from the beneficiary. Once a beneficiary assigns a Ticket to an EN, the EN may supply various employment support services to assist the beneficiary in obtaining, regaining, or maintaining self-supporting employment. Providers may supply these services directly or by entering into agreements with other organizations or persons to supply the appropriate services. The beneficiary receives the services at no charge.

We pay ENs based on their success in assisting beneficiaries secure and maintain employment. An EN may elect to receive these payments under one of two systems. Under the Outcome Payment System (Outcome System), an EN receives a payment for each month in which a beneficiary it serves does not receive cash benefits due to work or earnings—up to 60 months for SSI beneficiaries and up to 36 months for SSDI beneficiaries. Under the Outcome-Milestone Payment System (Milestone System), an EN receives a payment when a beneficiary it serves reaches one or more milestones toward self-supporting employment. The EN will also receive reduced outcome payments for each month—up to 60 months for SSI beneficiaries and up to 36 months for SSDI beneficiaries—that a beneficiary does not receive cash benefits because of work or earnings. An EN can receive up to 22 milestone payments for SSI beneficiaries and up to 15 milestone payments for SSDI beneficiaries.

Ticket Program Regulations

On December 28, 2001, we published our initial regulations implementing the Ticket program. Under those regulations, an EN outcome payment was worth only 40 percent of an average SSDI or SSI benefit. An EN that opted to receive payments under the Milestone System was limited to four milestone payments. Furthermore, an EN would receive these milestone payments only when a beneficiary it served engaged in SGA.

We rolled out the Ticket program in phases; the implementation began in February 2002 and ended in September 2004. Early experience showed that the Ticket program did not meet expectations. The program did not increase beneficiary choice or increase work outcomes as much as we would have liked. Through our conversations with members of the advocacy community and the evaluations carried out for us by our contractor, Mathematica, we learned that the program had not developed the vibrant market of ENs envisioned by Congress. In fact, by 2005, very few ENs were accepting Tickets.

Experience revealed that our initial Ticket regulations contributed to this problem. The regulations set the EN milestone and outcome payment amounts too low and set the bar for receiving those payments too high. This unattractive combina-

²We are evaluating the Ticket program's potential savings and will have a report later this year.

tion discouraged service providers from becoming ENs. As a result, beneficiaries in many areas did not have an EN to provide them with services, and the overwhelming majority of beneficiaries with disabilities receiving services received them from traditional State VR agencies.

To address these concerns, we published new Ticket program regulations on May 20, 2008. These rules became effective on July 21, 2008, and made several key changes to the Ticket program. We created a more attractive EN payment structure. The 2008 regulations increased the value of outcome payments (they are now worth 67 percent of an average SSDI or SSI benefit) and increased the value of milestone payments (increasing the total payout under the Milestone System relative to the Outcome System). The new Ticket regulations increased the number of milestone payments an EN can receive from 4 for serving any Ticket beneficiary to 15 for SSDI beneficiaries and 22 for SSI beneficiaries. The regulations also allow an EN to receive the first 4 milestone payments when a beneficiary it serves earns \$700 in a month, which is below the SGA level. We expect this payment structure will entice more service providers to become ENs.

In addition, experience showed that many beneficiaries wanted to ease their way back into the workforce via part-time work. However, since the previous EN payment structure based payments on attainment of SGA, ENs were reluctant to accept Tickets from beneficiaries seeking part-time employment. The current EN payment threshold removes previous disincentives to serve these beneficiaries.

We also increased available services by permitting State VR agencies to work collaboratively with ENs in an arrangement known as Partnership Plus. This “team” approach allows State VR agencies to provide training and job placement services and then refer beneficiaries to ENs, who can offer job retention supports. This initiative increases the likelihood that beneficiaries will keep working and leave the rolls. In addition, the new regulations abbreviated the process for the One-Stop Career Centers to become ENs.

Prior to publishing the new Ticket program regulations, we identified three key indicators to assess the degree to which the new regulations addressed the concerns we had heard. We measure success by: (1) the number of new EN contracts, (2) the number of beneficiaries accessing EN services, and (3) the number of beneficiaries entering the workforce. In the 11 months since the new rules became effective, our early data show a promising trend for these indicators. Compared to the 11 months preceding the new Ticket rule’s publication, the number of new EN contracts has increased from 5 to 34 per month. At the end of last month, there were over 1,300 ENs. Furthermore, the number of beneficiaries assigning their Tickets has increased from 332 per month to 867, and the number of job starts has increased by 83 percent. So far, it looks like the new regulations have truly hit the mark.

Ticket Program Outreach Activities

In addition to revising our regulations, we have recruited more ENs. Through our marketing contractor, Cherry Engineering Support Services, Inc. (CESSI), we are contacting ENs that have gone 6 months without taking a Ticket to determine whether we can resolve any problems. CESSI also holds State and regional “Ticket Express” conferences to recruit new ENs and share best practices. With CESSI’s support, we have also increased our conference attendance, EN training, and frequency of webinars to recruit ENs.

We have extended outreach activity to beneficiaries. For example, we created the Work Incentive Seminar (WISE) event to encourage beneficiaries to attempt to work. WISE events educate beneficiaries and their families about work incentives. Employers, ENs, State VR agencies, Protection and Advocacy agencies, and other employment support providers attending these events share information with beneficiaries about available services and employment opportunities in their communities. In 2008, we conducted 111 WISE events, and these events have been well attended. Working with the Department of Labor, 40 State workforce investment entities have become ENs, and they provide return-to-work services in 119 One-Stop Career Centers. In addition, approximately 300 new organizations are in the process of becoming ENs.

We strive to give beneficiaries with disabilities the robust return to work services they need and deserve. We are optimistic that the new Ticket rules, coupled with our expanded outreach activities, will foster the level of beneficiary work activity we envisioned when Congress passed the Ticket Act.

WIPA and PABSS

The Ticket Act created two programs to supplement the assistance available at our field offices and help beneficiaries understand the work incentive rules. The two

programs provide grants to organizations with ties to the disability community at the local level. All SSDI and SSI beneficiaries may use these services.

Work Incentives Planning and Assistance (WIPA)

WIPA grantees help beneficiaries with disabilities understand our work incentives and their effect on disability benefits. Specifically, WIPA grantees provide benefit planning and assistance, job placement, and career development. By working with a WIPA grantee, our beneficiaries can make informed choices about work. WIPA grantees also conduct the WISE events.

We currently have 104 community-based cooperative agreements that ensure the availability of WIPA in all 50 States, the District of Columbia, and U.S. Territories.

Protection and Advocacy for Beneficiaries of Social Security (PABSS)

The PABSS is a network of Protection and Advocacy projects in all 50 States, the District of Columbia, U.S. territories, and the tribal entities. This network represents the Nation's largest provider of legal-based advocacy services for persons with disabilities. The 57 PABSS advise beneficiaries about obtaining vocational rehabilitation and employment services. They provide advocacy and services beneficiaries may need to secure, maintain, or return to gainful employment.

For example, PABSS projects have helped beneficiaries regain employment. In one case, a beneficiary with epilepsy lost his job as a cashier after suffering an on-the-job seizure. He filed a charge of discrimination with the Equal Employment Opportunity Commission (EEOC) and sought representation from PABSS for the EEOC mediation. The PABSS appeared at the mediation and was able to negotiate a settlement that allowed the beneficiary to return to his job.

Expiring Grant Authority

The Ticket Act initially authorized appropriations for these grants for each fiscal year (FY) through FY 2004. The *Social Security Protection Act of 2004* extended this authorization through the end of the current fiscal year. Unless we receive reauthorization, funding for the WIPA program will end on March 31, 2010, and funding for the PABSS program will end on November 30, 2009.

Both the WIPA and PABSS programs provide services to beneficiaries seeking to return to work or maintain their current employment. If after a review of these programs a decision is made to pursue reauthorization, we will work with Congress to reauthorize funding.

Disability Demonstration Projects

The Ticket Act authorized us to test how certain statutory changes to the disability program would affect beneficiary work activity. Pursuant to this authority, we initiated four demonstration projects—the Benefit Offset National Demonstration (BOND), the Mental Health Treatment Study (MHTS), the Accelerated Benefits Demonstration (AB), and the Youth Transition Demonstration (YTD). Each project has distinct test objectives. The following sections provide a brief overview of our progress in each project.

Benefit Offset National Demonstration

Because SSDI beneficiaries lose all of their cash benefits for any month in which they engage in SGA after the trial work period, they are often reluctant to attempt to work. The BOND project tests the effects of replacing this “cash cliff” with a benefit offset that reduces SSDI benefits \$1 for every \$2 a beneficiary earns above the SGA threshold. This benefit offset takes effect after the beneficiary completes the trial work period and subsequent 3-month grace period. We also offer certain BOND participants enhanced work incentives counseling. Based on data from this project, we will estimate the effect of the benefit offset and counseling on beneficiary work activity.

This demonstration consists of two phases. In the first phase, which lasted from August 2005 to December 2008, we conducted a four-State pilot. We used our experience with the pilot to strengthen the design for the BOND. The pilot also helped us design and build a stand-alone agency system that partially automated the benefit offset calculations and notices, which currently have many manual elements and are very labor-intensive. We have also received some preliminary findings for this pilot and expect to complete a final evaluation report this June.

In the second phase, we will conduct a more expansive demonstration in sites across the Nation. We awarded a design contract for this phase of the BOND to Abt Associates in 2004. We approved the design in September 2008, and we will award an implementation and evaluation contract for this project no later than September 2009.

Mental Health Treatment Study

About 27 percent of all SSDI beneficiaries have severe mental illness. Many persons with mental illness respond well to treatment and want to work. The MHTS tests the effectiveness of providing medical care and employment supports to a sample of SSDI beneficiaries with schizophrenia or affective disorders who have expressed a desire to work. Testing began in October 2006 and will continue through July 2010.

For the most recent reporting period, treatment group participants had an employment rate of about 40 percent, compared to an employment rate of only 22 percent for control group participants. This difference may result from the specific types of supports the MHTS provides (psychiatric nurse-care coordinator, case worker, and a supported employment specialist) and the manner in which the MHTS integrates those supports.

Through the MHTS, we have helped many beneficiaries return to work; in any given quarter of a year, about 400 participants work. For example, some MHTS participants with schizophrenia talk back to the voices they hear. One of our study sites has an ongoing relationship with a sports arena. The sports arena hires these participants, and the arena's noise masks any conversations the participants have with these voices. Thus, the MHTS has placed these participants in employment situations where they can succeed. In other situations, we purchase items that enable participants to return to work, such as dentures and glasses.

We will analyze the demonstration's results and plan to submit our final report by January 2011.

Accelerated Benefits Demonstration

Under current rules, most SSDI beneficiaries have a 24-month waiting period after the date of entitlement before they are eligible for Medicare. This project tests the effect of providing immediate health care to newly-entitled SSDI beneficiaries. Specifically, the project tests whether providing medical benefits sooner will result in better health and return to work outcomes for beneficiaries. Since the start of this project in October 2007, we have enrolled about 2,000 beneficiaries in one of three study groups: A control group, a group that receives a medical benefits package, and a group that receives the medical benefits package and comprehensive support services. We will complete this project in November 2010.

To date, project data show that a little over 85 percent of the beneficiaries contacted for inclusion in the project were ineligible for the project because they already had some type of health insurance coverage. Participants in the study have embraced the additional supports offered in this project. We have found that many beneficiaries in the third study group are using the employment counseling, behavioral support program, and medical care management offered as part of this demonstration. However, it is too early to tell whether using these services translates into improvements in health and employment and reduced dependence on SSDI benefits.

We plan to submit a final report on this project by January 2011.

Youth Transition Demonstration

The YTD seeks to identify effective and efficient methods for assisting youths to transition from school to work and become self-sufficient. This project identifies services, implements service interventions, and tests modified SSI income and resource exclusions (referred to as waivers) that lead to better education and employment outcomes for youth with disabilities. The YTD serves youths between the ages of 14 and 25 who receive SSI or SSDI (including child's insurance benefits based on disability) or who are at heightened risk of becoming eligible for those benefits. This study will produce the first empirical evaluation of the effects of enhanced youth transition programs and modified SSI work incentives on disabled youth.

We began the YTD in September 2003 with seven projects. At present eight YTD projects are underway in New York (two sites), California, Colorado, Florida, Maryland, Mississippi, and West Virginia. The last YTD project will end in spring 2012.

As of January 2009, 503 of the 2,028 YTD participants (25 percent) had full- or part-time employment. Most of the YTD participants are students. By comparison, in December 2007, only about 11 percent of all SSI beneficiaries aged 18 through 21 were working. The nature of the YTD participants' work varies widely and some participants hold only short-term or summer work.

Early data from the projects show that the interventions and the YTD waivers help participants gain experience in both work-related activities and paid employment, increase earnings, improve attitudes and expectations about the future, and

achieve greater engagement in education (for those projects with a focus on educational activities).

Among the beneficiaries helped by this project is a young artist enrolled in the Mississippi Model Youth Transition Innovation (MYTI) project. She has intellectual disabilities, but with the help of a specialized savings account allowed under the YTD and counseling she has received from MYTI, she is on her way to establishing a successful business.

We plan to complete a comprehensive final report on this project by 2014.

New Disability Demonstration Authority

We believe that the projects we have in place will yield information Congress can use when it considers certain statutory changes. We want to test other disability program modifications and have several new ideas for demonstration projects.

However, our authority to initiate demonstration projects for SSDI beneficiaries expired on December 17, 2005. Therefore, we would need authority to start new projects and would like to work with you toward that goal. To start this process, we will develop and present to Congress and other stakeholders a detailed plan for how we would use this authority if reinstated.

Continuing Disability Reviews (CDRs)

To help protect the long-term health of the disability program, we strive to pay disability benefits only to eligible persons. Toward that end, we periodically conduct continuing disability reviews (CDR) on beneficiaries with disabilities to determine whether they still qualify for disability benefits. These reviews come in two types—medical CDRs and work CDRs.

Medical CDRs

We conduct medical CDRs on a periodic basis to ensure that only those who have a disabling condition under our rules continue to receive benefits. We use two methods to conduct these CDRs. We send some cases to the disability determination services (DDS) for a full medical review; others may be completed using the mailer process. The mailer process includes a profiling system that uses data from our records to determine the likelihood of medical improvement and the individuals' responses to a mailer questionnaire.

We send most cases profiled as having a high likelihood of medical improvement to the DDSs for a full medical review and no mailer is sent. In addition, if a beneficiary's responses to our mailer questionnaire indicate medical improvement, we send the case for a full medical review. Otherwise, based on the mailer response, we may decide not to initiate a full medical review, and we schedule the case for a future CDR. We also conduct medical reviews when we receive a voluntary or third-party report of medical improvement.

We will not initiate a medical CDR on a beneficiary who is using a Ticket. Furthermore, if a beneficiary has received SSDI benefits for at least 24 months, we will not initiate a medical CDR solely on the basis of his or her work activity.

Historically, we have realized program savings of \$10 for every \$1 we spend on medical CDRs. In FY 2008, we processed 240,000 full medical CDRs, an increase of about 50,000 over FY 2007. The FY 2009 appropriation provides an upward adjustment to the discretionary caps to fund program integrity activities such as CDRs. At this level, we will be able to process 329,000 full medical CDRs this year, an increase of 89,000 compared to FY 2008. For FY 2010, the President's Budget requests \$359 million to conduct medical and work CDRs, which is part of a larger request of \$758 million for program integrity activities at the Agency.

Work CDRs

We initiate a work CDR when a beneficiary voluntarily reports he or she is working, when a third-party reports a beneficiary is working, or when wages are posted to a beneficiary's earnings record. Because the work CDR process intersects with our return-to-work efforts, I would like to briefly explain our process and how we address the overpayments that can result.

To process work CDRs, we use a centralized national database called eWORK. This automated system collects the necessary work information, prepares the necessary forms and notices, and generates receipts for work reports. A separate system, the Continuing Disability Review Enforcement Operation (CDREO), alerts us to possible unreported work activity by a beneficiary. The CDREO alerts approximately 522,000 cases annually for possible work CDRs. We review and process all work reports we receive. From 2006 to 2008, we processed an estimated 174,000 work CDRs annually in our field offices. At present, there are approximately 62,000 work CDRs pending in field offices.

While most work CDR overpayments occur because we do not receive a timely report of work activity, some overpayments occur because we do not process the related work CDRs timely. Delays in processing these cases may occur for several reasons. First, we have concentrated on high-priority workloads, such as processing retirement and disability claims. Consequently, we have delayed acting on work reports and CDREO alerts. The current recession and the aging population have caused an overall increase in our workloads, thereby exacerbating this situation. Finally, our work incentive rules, which affect how we treat a beneficiary's earnings, are complex. Therefore, these work CDRs may take more time to process correctly.

We know that the potential of an overpayment may discourage some beneficiaries from working. We are committed to reducing the likelihood of overpayments, and we are collaborating with all stakeholders to develop proposals to ensure that beneficiaries who report their earnings timely will not be penalized for our delays in processing their work CDRs.

Conclusion

We are firmly committed to assisting beneficiaries with disabilities who want to return to work. The Ticket program started slowly, but our new regulations have given new life to the program. Since the new rules became effective, we have seen increases in new EN contracts, in Ticket assignments, and in beneficiary work activity. We will continue to monitor the program and consider any advice we receive from beneficiaries, service providers, and Congress to make sure the program continues to meet the needs of our beneficiaries.

We have embraced a comprehensive approach to helping beneficiaries return to work. We are on the right path to reducing those barriers within our control so that every beneficiary can realize his or her fullest potential.

Thank you again for your support and interest in this matter.

Chairman TANNER. Thank you very much, Ms. Suter.
Ms. Bates-Harris, you are recognized, please.

**STATEMENT OF CHERYL BATES-HARRIS, SENIOR DISABILITY
ADVOCACY SPECIALIST, NATIONAL DISABILITY RIGHTS NET-
WORK, ON BEHALF OF THE CONSORTIUM FOR CITIZENS
WITH DISABILITIES EMPLOYMENT AND TRAINING TASK
FORCE AND SOCIAL SECURITY TASK FORCE**

Ms. BATES-HARRIS. Thank you, Chairman Tanner, and Members of the Subcommittee, for holding this important hearing today. I am Cochair of the Consortium for Citizens with Disabilities Employment and Training Task Force, and an active member of the Social Security Task Force. CCD is a coalition of national consumer, advocacy, provider, and professional organizations working on behalf of the 54 million American children and adults with disabilities and their families.

The Ticket to Work and Work Incentives Improvement Act was created a decade ago to reduce barriers to work for Social Security Title II and Title XVI beneficiaries. TWWIA was not a perfect program at its inception, but Social Security has put significant effort to improve the program. Some of those improvements include creating incentives to encourage service providers to become employment networks, including one-stop centers, acknowledging that return to work is an incremental process, and that self sufficiency often begins with part-time employment. They recognized that education and training of work incentives is vital to the employment of people with disabilities, and have made strides to better coordinate services and supports, and to collaborate rather than compete with the State Vocational Rehabilitation agencies.

In addition, the increased payment system, as a result, has allowed more ENs—has made ENs more readily accessible, and willing to provide services to both SSI and SSDI beneficiaries.

While these are very positive trends, there is still more work to be done. And CCD is concerned that the level of attention on work incentives seems to have waned at the Agency.

For example, there is the continued delay of the required benefit offset demonstration. This project has been in the planning process since TWWIIA's inception, and is not scheduled for implementation until 2010. The very purpose of this project has been tested in a four-State study on the subject, and the effects of the employment outcomes have been demonstrated, that—when benefits are reduced to reflect employment, beneficiaries can successfully work their way off benefits.

This analysis already exists in the SSI program, and has shown itself to be a powerful work incentive. If properly implemented, the results of this study could prevent beneficiaries from experiencing an abrupt dropoff in benefits when employment earnings reach the substantial gainful activity. We believe the results from this demonstration do not require an additional long, drawn-out evaluation, but rather, that policy changes could be implemented based on the evidence already gained.

As you know, work incentives already exist in both programs. But the success of these incentives to the Ticket to Work rest heavily on the ability of SSA to record and track wages and make prompt adjustments to benefits level, thereby reducing overpayments.

I think I am going to skip some of the statements around overpayments. We just believe that it is important to recognize that there is no standardized way of filing or tracking wage information. Social Security does not require a specific report format—it can be made in writing, by calling an 800 number, or by reporting in person, and staff are not always sure what to do with the complex work rules. Until such time as Social Security addresses this issue, overpayments will continue.

I want to address some of the expiring provisions in TWWIIA in my time remaining. The work incentive planning and assistance program grants provide benefits planning services to SSDI and SSI beneficiaries about work incentives and services for finding, maintaining, and advancing an employment. Trained staff are skillful at helping beneficiaries understand what will happen to their benefits when they gain employment. This is a vitally important program that has been flat-funded since its inception, and it needs to continue with an increase in appropriations.

The protection and advocacy for beneficiaries of Social Security is another crucial program for ensuring TWWIIA's success, by protecting the rights of beneficiaries who transition to work. With a presence in every State, territory, and the District of Columbia, they provide advice and legal and administrative advocacy to remedy complaints of beneficiaries, ranging from things to overpayments to workplace discrimination.

Recent incidents, such as that of Henry's Turkey Service, demonstrate the need for the PABSS program to be expanded, not cut

back. Despite the demand for services, the program receives a modest \$7 million, and has been flat-funded.

We believe that the PABSS program should also be able to address and monitor representative payees who may have a conflict of interest in serving those beneficiaries.

I am way over my time. There are a number of other provisions in TWWIA that are important—or provisions outside of the jurisdiction of this Committee but part of the larger discussion. They are well documented in my written testimony. And, although I have tried to keep this testimony short to 5 minutes, I request that you enter the full testimony into the record.

Thank you for extending me this opportunity to testify before you.

[The prepared statement of Ms. Bates-Harris follows:]

**Prepared Statement of Cheryl Bates-Harris,
Senior Disability Advocacy Specialist, National Disability Rights Network,
on behalf of the Consortium for Citizens with Disabilities Employment
and Training Task Force and Social Security Task Force**

I would like to thank Chairman Tanner, Ranking Member Johnson and Members of the Subcommittee for inviting me to testify at today's hearing on the Social Security Administration's (SSA) employment support programs for beneficiaries with disabilities. The focus of this hearing is extremely important to people with disabilities as they seek to return to work or work for the first time.

I am a Senior Disability Advocacy Specialist for the National Disability Rights Network (NDRN), but I am here today in my capacity as a Cochair of the Consortium for Citizens with Disabilities (CCD) Employment and Training Task Force as well as an active member of the Social Security Task Force. CCD is a working coalition of national consumer, advocacy, provider, and professional organizations working together on behalf of the 54 million children and adults with disabilities and their families living in the United States. The two CCD Task Forces (hereinafter "CCD") focus on disability policy issues in employment programs and services for people with disabilities as well as the Title II disability programs (for beneficiaries with disabilities in the Old Age, Survivors, and Disability Insurance programs) and the Title XVI Supplemental Security Income (SSI) program. Also, as a former member of the Ticket to Work and Work Incentives Advisory Panel, I have considerable experience with the Ticket to Work and Work Incentive Improvement Act including the Ticket to Work and Self Sufficiency program.

Roughly 10 years ago, the Ticket to Work and Work Incentives Improvement Act (TWWIA) was signed into law as P.L. 106-170. Its intent was to reduce barriers to work for Social Security Title II and Title XVI beneficiaries with disabilities by offering greater choice in vocational rehabilitation and employment services providers, to assure ongoing access to affordable health care coverage, and to assure access to benefits planning services and legal advocacy, if needed, to protect the rights of the individuals with disabilities.

The original Ticket to Work regulations became effective January 28, 2002, before the first Tickets had been released. It quickly became evident that the regulations were insufficient to support the true purposes of expanding choice in vocational providers and supports. In September 2005 and August 2007, the Social Security Administration (SSA) issued Notices of Proposed Rule Making (NPRM) which proposed changes to the Ticket regulations. Revised regulations were issued effective July 2008. We want to recognize and commend SSA for the revised Ticket regulations which aimed to improve the Employment Network (EN) payment systems and provided greater financial incentives and flexibility for ENs. This action encouraged service providers and other entities to become ENs by making the Ticket program more appealing financially. ENs now earn milestones earlier in the employment process and are reimbursed at a higher rate based on beneficiary attainment of specific earnings targets (such as placement with earnings at \$335.00 month, Trial Work Period earnings of \$670.00 month, and SGA earnings at \$940.00 a month) even if cash benefits are never reduced to zero.

The changes encourage beneficiary participation by recognizing that return to work is an incremental process and self-sufficiency often begins with part-time employment. In addition, individuals with disabilities—regardless of whether they are receiving Supplemental Security Income (Title XVI) or disability benefits (Title II)

can now expect to receive similar levels of service from providers because the outcome payments and milestone payments are about the same for both programs. Moreover, the payment system no longer requires a higher level of earnings for the Title XVI beneficiary, which had discouraged ENs from serving those individuals under the old regulations.

The regulations also encourage better coordination of services and supports available to beneficiaries and include incentives for ENs to partner with, rather than compete with, State Vocational Rehabilitation (VR) agencies. This is reflected in the simplified and improved definition of “using a ticket” which means that individual has assigned a ticket to an EN or a State VR agency that has elected to provide services to that individual as an EN. The regulations also streamlined the related requirement for measuring “timely progress toward self-supporting employment” by allowing a beneficiary to complete either a work requirement or to obtain educational/vocational credit which will assuredly improve their employment potential through the acquisition of skills and training.

Indeed, SSA was “listening, learning, and responding” as SSA stated in its “messaging” during the March 2008 Ticket to Work Partners Summit. A recent SSA report shared with the Protection and Advocacy Systems (P&As) indicates that since the revised regulations became effective on July 21, 2008, the number of new service providers signing up to become ENs has increased from an average of 5 a month to an average of 34, and as a result SSA reports higher return to work rates as ENs are more readily accessible and more willing to provide services.¹

While these are positive trends, there is still more that needs to be done.

From a broader policy perspective, CCD is concerned that the level of attention at the Agency on work incentives seems to have waned. The Cochairs of both of these CCD Task Forces met with SSA legislative and policy staff in March of 2008 to discuss ways to simplify the work incentives for SSI and SSDI beneficiaries. Since then there has been no followup or further discussion on this issue. In a recent long term plan issued by SSA, only one paragraph contained any mention of work incentives, and that statement failed to recognize SSA’s own role in the number of overpayments, as well as structural contributions (such as retrospective accounting in SSI). We recognize SSA’s need to focus on reducing the disability claims backlog, but believe that more must be done to assist those who want to try to work.

Benefit Offset Demonstration

Long before TWWIIA, SSA was required to initiate a national demonstration to test alternate methods of treating work activity in the Social Security Disability Insurance (SSDI) program through a benefit offset project. The purpose of the Benefit Offset demonstration was to determine the effect of employment outcomes including wages, benefits, hours worked, and job retention when a financial offset in benefit payment is applied reducing Title II disability benefit payments by only 1 dollar for each 2 dollars earned. This work incentive already exists in the SSI program and enables a beneficiary to successfully and gradually work their way off benefits and move toward self sufficiency by decreasing benefit payments as earnings increase. This encourages work but does not penalize the individual or force them to give up a full benefit amount when they are working their way back to full employment.

Despite years of planning and design, the Benefit Offset *National* Demonstration (BOND) is not scheduled for implementation until FY 2010. Prior to this national implementation, SSA conducted a four-State pilot demonstration, which began in August 2005. The results have not been shared publicly. This long overdue project will allow beneficiaries to face a gradual reduction in their benefits eliminating the abrupt loss of cash benefits in the Title II disability programs when the beneficiary works and has earnings over the Substantial Gainful Activity (SGA) level which is currently \$940.00 a month. If properly conducted and implemented, the strategies developed for this project could serve as a powerful incentive and should considerably reduce barriers to work for SSDI beneficiaries by allowing them to maintain or increase their employment, earnings and financial independence. CCD believes it is imperative that this project not languish any longer but instead move forward with full deliberation and intent. In addition SSA should be required to report the results of their findings to the public in a timely manner.

Overpayments

As you know, the SSI and SSDI programs include numerous work incentives which allow beneficiaries to work and test their ability to become self-sufficient. The success of these work incentives, as well as that of the Ticket to Work program, rests heavily on the ability of SSA to record and track wages and make prompt ad-

¹Ticket Trends—May 19, 2009 Hearing.

justments to benefit levels when working beneficiaries report earnings, thereby reducing overpayments. According to an SSA Office of Inspector General report dated April 2006, income or earnings from work activity was the most significant reason for overpayments. These overpayments were said to be much larger and spanned longer periods of time than the overpayments identified by SSA's normal processes of Continuing Disability Reviews (CDRs) and data matches to detect deaths, prisoners, fugitives, and other issues that impact eligibility.²

Overpayments have been a huge concern for many years and are recognized as a tremendous disincentive for beneficiaries to try work. Many beneficiaries do the right thing: They report their work in person or to the 800 number and are told that SSA will let them know if anything is a problem. At best SSA takes a month or two to process the report, which causes overpayments that the beneficiary is obligated to repay. However, SSA very often fails to process the earnings reports and adjust the payments for months or even years. Beneficiaries reasonably assume that SSA is paying them the correct amount. When SSA finally gets around to processing the earnings reports, the beneficiary is hit with a demand to repay overpayments that often amount to thousands of dollars. This can be devastating for someone whose sole or primary source of income is their benefit payment (currently a maximum of \$674 per month for SSI beneficiaries).

In one reported case, the New York Protection and Advocacy for Beneficiaries of Social Security (PABSS) reported that a client file clearly showed timely wage reporting by the beneficiary, yet he still received an overpayment notice of almost \$64,000. The overpayment occurred because the beneficiary was a dual SSI/SSDI recipient. When he reported his monthly earnings to SSA, the SSI benefits were adjusted but the SSDI benefits were not adjusted until several years later. Furthermore, while PABSS was assisting with the client with the SSDI waiver request, SSA was initially refusing to look at the information contained in his separate SSI file. Only when PABSS insisted did they retrieve his SSI file and finally grant the waiver.

CCD and the disability community continue to struggle with the inability of SSA to record and appropriately adjust benefits in a timely manner. SSA does not require earned income reports to be made in any specific way; they can be made in writing, by calling the 800 number, or by stopping in to report at an SSA field office. There is no particular form to complete or file, and until the Social Security Protection Act of 2004 was implemented, there was no official record for the beneficiary to use that proved the report was made. In addition, there appears to be no effective internal system for recording the income which beneficiaries report. And despite the development of internal electronic tools such as eWorks,³ this program is not used consistently across the country. In addition, SSA does not seem to realize that people do not understand the terms of art used by the Agency when making SGA determinations and staff are not always clear in their explanations or do not have the time necessary to explain them well enough. Therefore, important wage deductions such as Impairment Related Work Expenses (IRWEs), Blind Work Expenses, Subsidies and Special Conditions do not get reported or considered.

In terms of overpayment issues, field office staff seem to have a single rule: "You worked; you are at fault for the overpayment." The staff is very reluctant to apply the other work incentive rules, like IRWEs or special conditions after wage reporting has occurred, and rarely are these questions asked during the submission of this type of wage information.

SSA clearly needs to improve its processing of work and earning reports. Most individuals who receive these benefits are overwhelmingly low income and do not have the income cushions to deal with unreliable application of the work rules. Some at SSA seem to have a cavalier attitude about overpayments (considering them low interest loans), not understanding the financial and emotional effect of a large overpayment on someone who is low income and who thought s/he was doing a good thing by going to work.

Many claimants do not understand the differences between SSI or Title II disability benefits and many do not know which is which even though they may get both. These concurrent beneficiaries will not know to report work activity separately to the Claims Representatives assigned to each of the benefit programs. As a result, concurrent beneficiaries are doubly impacted with overpayments over time. The SSI file and Title II disability file are separately maintained and information within the office is not communicated across programs. SSA staff who are assigned to only one

² Congressional Response Report—Overpayments in the Social Security Administration's disability programs, A-01-04-24065, April 2006.

³ In December 2004, SSA finished its national rollout of eWork, an interactive web-based application system that monitors the work flow of Social Security field staff and tracks reported earnings of Social Security Disability Insurance beneficiaries.

benefit program (SSI or Title II disability) should understand that claimants will not know to separately report work and they **should make sure that the work report gets to all the right places**, including the payment processing center, and that it is acted on in a timely fashion.

Expiring TWWIIA Provisions

There are several expiring or expired provisions contained within TWWIIA that are critical to facilitating the participation of those on Title II and/or Title XVI in the workforce. The failure to extend these programs could undermine the long-term impact of the law in improving employment opportunities for this population of people with disabilities. Two such programs include the Work Incentive Planning and Assistance (WIPA), and the Protection and Advocacy for Beneficiaries of Social Security (PABSS).

Work Incentive Planning and Assistance (WIPA) Program—The Social Security Administration has long been committed to the WIPA program and issued a Request for Proposal inviting application for these programs in May of 2000, with a second round of application in the fall of 2006. WIPA grants to nonprofits and other agencies fund outreach, education and benefits planning services to Title II Disability and SSI beneficiaries about work incentives and services for finding, maintaining and advancing in employment.

WIPA grantees inform beneficiaries of the impact that employment will have on their disability income and medical coverage, and address many of the real fears that individuals have about going to work, including the risk of losing health coverage. These grants have consistently demonstrated their effectiveness in explaining work rules and stressing the important information that people need to know before going back to work. Relevant pamphlets and the “Red Book” are not enough to help individuals understand the confusing work rules. People often need more than one explanation and need to see the rules applied to the facts of their cases. Trained WIPA staff is skillful at making sure that beneficiaries know what will happen to their benefits when they go to work.

WIPA programs have been flat funded at \$23 million since their inception and are struggling to maintain their high level of service. In addition, these grants will terminate 6 months into FY 2010 unless renewed by Congress. **Increased appropriations are needed to continue and expand this very important program.**

The Protection and Advocacy for Beneficiaries of Social Security (PABSS)—This program was created in TWWIIA to protect the rights of beneficiaries as they attempt to go to work and was the last programs within TWWIIA to be fully implemented. It is the responsibility of the PABSS programs to provide information, advice, and remedy to complaints of beneficiaries utilizing their options to explore work. This work is consistent with the mission of P&As, created by Congress in the 1970’s to protect individuals with disabilities from abuse, neglect, and discrimination based on disability. With a presence in every State and U.S. territory, and the District of Columbia, the Protection and Advocacy (P&A) systems offer an advocacy and legal voice to individuals with disabilities as they venture into the workforce.

The PABSS program assigns an extensive set of duties to the P&A agency. In addition to resolving work related overpayments and assisting individuals to access the services and supports they need to work, this program assures that legal protections are given to beneficiaries in the difficult economic climate where discrimination against people with disabilities may increase. Using the powerful tools afforded by the recent passage of the ADA Amendments of 2009, PABSS helps people with disabilities maintain employment, enforces the nondiscrimination provisions of the ADA, works for the provision of reasonable accommodations, and seeks to protect other basic employment rights that are important to the employment of people with disabilities. In addition, P&As have worked tirelessly with community partners to improve the employment rate of people with disabilities thereby changing the quality of life for many people with disabilities.

An increase needs to be authorized for the program to be able to continue, let alone thrive. The static funding of \$7 million annually since its inception has resulted in staff cutbacks across programs and has clearly strained the ability to serve all eligible clients. Given the recently uncovered abuses with Henry’s Turkey Service in Atilissa, Iowa, (see story at <http://www.desmoinesregister.com/article/20090208/NEWS/902080344>), Congress should consider expanding the jurisdiction of the P&A program into other SSA areas such as monitoring organizational representative payees to assure adequate protection and advocacy services are available to this vulnerable population.

TTWWIIA Health Care Work Incentives

The Ticket to Work and Work Incentive Improvement Act included several key provisions to ensure that workers with disabilities are able to access crucial health care supports. We urge you to ensure that these critical health programs are maintained and strengthened. Three of these provisions are the Medicaid Infrastructure Grants (MIG), the Medicaid Buy-in for Workers with Disabilities, and the Demonstration to Maintain Independence and Employment (DMIE). As the findings of the Act state: “For individuals with disabilities, the fear of losing health care and related services is one of the greatest barriers keeping the individuals from maximizing their employment, earning potential, and independence” (Section 2a(5)). These provisions are critical to ensuring the success of other programs within the Act. Therefore, CCD encourages this Committee to collaborate with your colleagues on the Health Subcommittee as well as the Energy and Commerce Committee to strengthen and maintain these critical health programs.

Medicaid Infrastructure Grants—These grants were authorized from 2001–2011 by section 203 of the TTWWIIA and are administered by the Centers for Medicare and Medicaid Services. These grants provide States with flexible funds to enhance State infrastructure that supports workers with disabilities. Due to the MIGs, over two-thirds of States have implemented Medicaid buy-ins, redesigned Medicaid waivers and personal care programs to ensure that individuals can go to work, and improved coordination between Social Security, WIPAs, Medicaid and related agencies. In 2009, 42 States and the District of Columbia received these grant funds.

Medicaid Buy-in—The Medicaid buy-in provides Medicaid coverage to people with disabilities who would be receiving SSI but for their earnings from employment. Many of these individuals need services beyond what private insurance covers, or they would be unable to acquire coverage on the individual market. Over 40 States have created a Medicaid buy-in under TWWIIA or under the earlier buy-in created under the 1997 Balanced Budget Act and are experiencing positive fiscal returns. An analysis in Kansas demonstrated that Medicaid buy-in participants increased the taxes paid to the State and Federal Government, increased premiums paid to the Medicaid program, and decreased their medical costs.⁴

Scott’s Story—One success story thanks to the Medicaid buy-in comes from Minnesota Work Incentives Connection. Scott was in college when he had a car accident, which left him with a severe spinal cord injury. Despite his injury, Scott continued his studies. Having a disability increased Scott’s desire to help others, so he pursued a graduate degree in biomedical engineering. When he was offered a job at a medical device firm, Scott contacted the Minnesota Work Incentives Connection. He was willing to give up his Social Security cash benefits, but was concerned about health coverage. Like most insurance, his employer’s health plan did not cover the daily personal care assistance Scott needed, nor could he afford to pay out of pocket for those services, despite earning a decent salary. For people with injuries like Scott’s, personal care assistance alone can easily cost over \$3,000 per month.

Scott’s Benefits Specialist told him about the Medical Assistance for Employed Persons with Disabilities (MA–EPD) program, which allows him to maintain Medical Assistance (Medicaid) for services his insurance doesn’t cover. Scott doesn’t mind paying a monthly premium, based on his income. He says, “Despite the opportunities that my degree has opened up to me, I am fairly certain that I would not be working in my current capacity if it were not for MA–EPD. MA–EPD allows me to participate, to compete, to excel on the same stage as those I consider as peers, regardless of the obstacles my disability presents.”

Demonstration to Maintain Independence and Employment (DMIE)—the DMIE program provides preventive care to individuals with serious medical conditions that have not yet reached a level of severity to qualify them for Social Security disability benefits. Examples of individuals who have benefited from the DMIE include persons with mental illness, AIDS, and diabetes.

DMIE Successes—Using a rigorous experimental model, including a control and treatment group, the State of Minnesota found that only 4% of the intervention group applied for Social Security while 15% of the control group reported applying for benefits.⁵ Another example of DMIE success comes from Texas. Janie is a home health aide. She has diabetes, epilepsy, Hepatitis C, hypertension, chronic depression, anxiety disorder, and suffers from debilitating headaches. Janie’s case manager obtained *Working Well* (a private insurance program) vision, dental and medical services for her. The case manager also provided employment counseling and medical education. Janie has been able to start and maintain a diabetic diet. Her

⁴ <http://www.workinghealthy.org/publications/policybriefs/WHPolicyBriefno12.pdf>

⁵ Stay Well, Stay Working: Policy Brief, The Lewin Group, March 2009.

symptoms have greatly improved and she is now earning significantly more as she is able to increase her work hours.

The MIGs, the Medicaid buy-in, and the DMIE provide invaluable supports that enable individuals with disabilities to obtain and maintain employment. Yet Congress has undermined the ability of many of these health care work incentives to have an impact on the broader population of people with disabilities either through specific action or through inattention. For example, despite the positive results evidenced by DMIE, Congress rescinded the unspent funds for the program in the 2009 omnibus budget bill because the authority for the demonstration ends in FY 2009. What Congress may not have recognized is that CMS delayed issuing an application for funding which resulted in unspent program money which CCD believes should be carried over and continued.

The Medicaid buy-in has several lingering policy concerns that have weakened its effectiveness and should be addressed during Ticket reauthorization. These issues include, but are not limited to, how to define if a person is 'employed' and the inability of individuals to participate in a buy-in beyond their 65th birthday.

Section 201 (a)(2)(B) of Title II offers a definition of employment for individuals with medically improved disabilities who are eligible for the Medicaid buy-in in which they must be working at least 40 hours per month and earning at least the applicable minimum wage. A similar definition of employment exists under Section 204 of Title II for workers with potentially severe disabilities. Unfortunately, some States have been reluctant to undertake a buy-in program over confusion as to how to define employment. Thus, Congress may wish to clarify this for the future.

Sec. 201 (a)(1)(C) allows participation in the Medicaid buy-in for those "at least 16 years of age but less than 65 years of age" despite the increase in normal retirement age beyond age 65. Thus, someone can be using the buy-in to work until he/she retires at "normal retirement age" but then is confronted by the loss of the resource/asset limit suspensions when they reach age 65. This anomaly needs to be corrected.

Finally, because the buy-ins are State options, this has created a patchwork of access across the country. Either States should be required to establish Medicaid buy-in programs or deemed Medicaid eligibility should be provided to Title II beneficiaries up to the current buy-in earnings levels.

SSA and Work Incentives

The Ticket to Work program and other provisions of TTTWIIA are only one part of a larger discussion needed concerning barriers to employment for Social Security disability beneficiaries. Many other policies within the Social Security Disability and Supplemental Security Income programs serve as disincentives to workforce participation for people receiving these benefits. Broader system changes—beyond TTTWIIA—are needed to address these impediments—as outlined in the CCD Social Security Task Force's Statement of Principles: Social Security Disability Program Work Incentives and Related Issues. (See—http://www.c-c-d.org/task_forces/social_sec/CCD-Principles-and-Recom-29-08.pdf.) These include:

The elimination of the 24-month waiting period for Medicare—Good health is essential to a successful return to work. Failure to have access to health coverage undermines the person's ability to stabilize his or her condition and to attempt a return to work when that is appropriate.

Allowing permanent premium-free access to Medicare for beneficiaries who work—Social Security disability beneficiaries who have lifelong conditions should retain lifetime access to Medicare. Once someone goes beyond the premium-free Part A coverage provided under TTTWIIA, a working person with a disability can buy-in to Medicare but at significant expense. Providing continued attachment to Medicare for working beneficiaries would ensure ongoing eligibility for health care. Some beneficiaries, based on their earnings, should have the ability to obtain this coverage through a buy-in program.

Elimination of the Medicare "homebound" rule—Current Medicare policy for durable medical equipment (DME) restricts its use to "in the home," meaning that people on Title II disability benefits cannot obtain the devices and technology they need for independent living or risk violating the law if they use their DME to go to work. We are pleased to see that the Senate Finance Committee has included several possible options for phasing out the 24-month Medicare disability waiting period in its May 14 description of policy options for expanding health care coverage.

Increasing Medicaid asset and resource limits—SSI assets/resource limits have increased only minimally since 1974. As a result, working people with disabilities who rely on that program for critical services and supports cannot earn and save like most Americans.

Modifying “deemed” SSI eligibility to protect Medicaid for certain working people who transition to Title II—The deeming of SSI eligibility is important to avoid creating an unintended disincentive to work, especially for younger individuals who receive Disabled Adult Child or DAC benefits. Current law creates a constraint against attempting to work because it only provides protection when the *sole* reason a person’s income exceeds the SSI level is the Title II benefit increase. Thus, working and having any earnings will automatically make the person ineligible for the deemed SSI status that protects his or her Medicaid. This is especially ironic, because if s/he had been solely an SSI recipient, the person would be able to benefit from the 1619(a) and (b) work incentives. This can be fixed by providing that SSI deemed status will continue so long as the person’s only other reason for ineligibility is earnings from work.

These are but a few of the recommendations in the CCD principles and recommendations paper. We urge you to consider improvements, as outlined in the paper, to assist people with disabilities to work.

Thank you again for extending me the opportunity to testify before you. I look forward to working with the Subcommittee on these important issues for people with disabilities.

On Behalf Of:

ACCSES

American Network of Community Options and Resources

APSE—The Employment Network

Association of University Centers on Disabilities

Bazelon Center for Mental Health Law

Community Access National Network (TIICANN)

Council of State Administrators of Vocational Rehabilitation

Easter Seals

Epilepsy Foundation of America

Inter-National Association of Business, Industry and Rehabilitation

National Council on Independent Living

National Disability Rights Network

National Organization of Social Security Claimants’ Representatives

National Rehabilitation Association

National Spinal Cord Injury Association

Paralyzed Veterans of America

The Arc of the United States

The Epilepsy Foundation

United Cerebral Palsy

United Spinal Association

World Institute on Disability

Chairman TANNER. Thank you very much. We were not going to be insistent on the 5-minute rule, because we were interested in what you have to say. And all of your testimonies will, in their entirety, be inserted into the record.

Ms. Webb, the Chair is pleased to yield the floor to you.

**STATEMENT OF SUSAN WEBB, PRESIDENT AND CO-FOUNDER,
NATIONAL EMPLOYMENT NETWORK ASSOCIATION, AVON-
DALE, ARIZONA**

Ms. WEBB. Thank you, Mr. Chairman. My name is Susan Webb, and I am here today on behalf of the National Employment Network Association, or NENA. NENA is a membership association that provides technical assistance and training to employment networks around the country.

Our comments today revolve around three particular topics: The new Ticket to Work regulations that took effect in July of 2008; marketing the program to beneficiaries; and the statutory requirements to validate earnings in order to get paid is a problem, so we want to talk about that.

Our written testimony also contains additional information and comments about capitalization of ENs and the utility of the work opportunity tax credit.

First, the Ticket program is innovative, in that it pays for outcomes, not services. This is a significant departure in methodology from most employment services providers who chose to sign up for the program as employment networks.

Social Security developed the original payment structure to maintain fiscal integrity, and not being overly generous. But they also tried to design a structure that would encourage employment networks to participate, and to be able to cover our costs of delivering services.

Unfortunately, without any data to draw upon at the time, the original regulations in place until July of 2008 proved to be inadequate. NENA believes this is the reason why most of the more than 1,400 ENs who originally signed up either left the program or accepted few tickets.

After 3 years of rulemaking, SSA published new regs that took effect in July of 2008. This is well past the time period analyzed in the Inspector General's August 2008 report, making that report an outdated snapshot of the Ticket program's current methodology.

The new rules primarily changed the payment structure, so that ENs could more effectively participate in the program. SSA started making payments under the new rules in November of 2008. Without exception, our members told us that the new rules are a vast improvement over the original rules. We expect that once new and prospective ENs see the data from the new rules, there will be significantly more ENs participating in the program, and thus accepting new tickets.

To give you a snapshot of the difference, and why the new rules will likely help ENs participate, let me give you my own agency's experience as an example. ABIL Employment Services in Phoenix began taking tickets as a stand-alone program when the tickets were first mailed in February of 2002.

Under the old rules, through November of 2008 our ticket revenues were more than \$865,000. When you look at the data, that is a significant portion of the total payouts in one little EN in Phoenix, Arizona.

The kicker, though, is that on the surface that looks like a pretty good return, except that we spent \$1.7 million to get that \$865,000. That's \$2.03 we spent for every \$1 we returned. Not very many ENs have the resources to do that. And, of course, it begs the question, "Why should they?"

In contrast, thus far under the new rules, that statistic has completely turned around. Since December of 2008, for the first time, we consistently brought in enough revenue under the new rules to more than cover our cost. As a result, we now plan to expand the program by hiring more staff and conducting more beneficiary marketing.

In addition, we are budgeting to provide more services to beneficiaries. And we believe these are exactly the kind of program enhancements that SSA wanted, and that will stimulate interest, not only on the part of ENs, but also on the part of beneficiaries.

The beneficiary marketing—we understand that SSA really has very limited resources to do much marketing. We hope that will change under the new rules, however, because of the expanded payments that will be generated—NENA is working with States to develop State employment network chapters that will pool their resources to help us market directly to beneficiaries in our local community.

So, we believe that with more partnership between the program manager for recruitment and outreach, the work incentive planning and assistance, and NENA, we could significantly improve beneficiary awareness and the benefits of the Ticket program. It is indeed a new day. And with aggressive beneficiary marketing, we think that we can turn this around and make more people participate.

My final comments will have to do with earnings validation. I don't think that Congress intended, when this program began, that we would be chasing after pay stubs for 5 years. But, unfortunately, that is what we are doing. The Agency has done a yeoman's job of trying to develop less onerous ways to collect earnings data. But, unfortunately, it appears that many different stakeholders have looked at very many different ways to possibly collect earnings data, and nothing seems to be working.

It is because of the language in the statute that says, "Due to work or earnings"—that is at section—oh, it is in my written testimony. It is actually in several places throughout. But we recommend that the statute be amended to remove the "Because of work or earnings" language. Ticket stakeholders, as I said, have discussed the issue. And we believe that, at last blush, that is the only way that we are going to eliminate this onerous requirement to collect pay stubs.

Mr. Chairman, Members of the Subcommittee, it is a new day. We look forward to another 5 years of the Ticket to Work program. And with program enhancements to marketing, to help us remove that language regarding validation of pay stubs, and with the new payment structure that SSA has put into place, we believe that this will be effective and will help millions of people—not hundreds of thousands, but millions—to return to work.

I would be happy to answer any questions that you might have.
[The prepared statement of Ms. Webb follows:]

**Prepared Statement of Susan Webb, President and Co-founder,
National Employment Network Association, Avondale, Arizona**

Mr. Chairman, Members of the Subcommittee, my name is Susan Webb. I am here today on behalf of the National Employment Network Association (NENA). NENA is a membership association providing training, technical assistance and program updates to Employment Networks (EN) nationally who provide employment services under the Ticket to Work and Self-Sufficiency program. Five of the largest, most active private ENs sit on NENA's Board of Directors.

Our oral comments today cover three key areas: (1) the new TTW regulations that took effect in July 2008; (2) marketing the program to beneficiaries; and (3) the statutory requirements to validate earnings in order to get paid. Our written testimony

contains additional comments regarding EN capitalization and utility of the work opportunity tax credit (WOTC).

I. New Ticket Regulations

First, the Ticket program is innovative in that it pays for outcomes, not services. This is a significant departure in methodology for most employment service providers who chose to sign up for the program as ENs. SSA developed the original payment structure to maintain fiscal integrity in not being overly generous; but they also tried to design a structure that would encourage ENs to participate and be able to cover our costs of delivering service. Unfortunately, without any data to draw upon, the original regulations in place until July of 2008 proved to be inadequate. NENA believes this is the reason why most of the more than 1,400 ENs who originally signed up either left the program or accepted few tickets.

After 3 years of rulemaking, SSA published new regulations that took effect in July 2008. This is well past the time period analyzed in the Inspector General's August 2008 report, making that report an outdated snapshot of the Ticket program's current methodology. The new rules primarily changed the payment structure so that ENs could more effectively participate in the program. SSA started making payments under the new rules in November 2008. Without exception our members told us the new rules are a vast improvement over the original rules. We expect that once new and prospective ENs see the data from the new rules, there will be significantly more ENs participating in the program and accepting new tickets.

To give you a snapshot of the difference and why the new rules will likely help ENs participate, let me give you my own agency's experience as an example. ABIL Employment Services in Phoenix, Arizona began taking tickets as a stand-alone program when the first tickets were mailed in February 2002. Under the old rules, through November 2008 our ticket revenues were more than \$865,000. On the surface, when you look at the total payouts during that time for all ENs, we received a significant percentage of the total. However, our expenses to operate the program during that time were \$1.76 million! In other words, we invested \$2.03 for every \$1 in revenue we received. Few organizations have the resources to operate such a program, and it begs the question: Why would we do so?

In contrast, thus far under the new rules, that statistic has completely turned around. Since December 2008, for the first time, we consistently brought in enough revenue under the new rules to more than cover our costs. As a result, we now plan to expand the program by hiring more staff and conducting more beneficiary marketing. In addition, we are budgeting to provide more services to beneficiaries, such as short-term job training and paying for licenses and other expenses to help beneficiaries get a job and keep it. We believe these are exactly the kind of program enhancements SSA desired to stimulate with the new Ticket program rules, and the rules are working for us at ABIL.

II. Beneficiary Marketing

No matter how good the new rules prove to be, beneficiary marketing is a critical component of program success. NENA recognizes that SSA faces priorities that place significant demand on its resources, most notably reducing the backlog of initial claims and completing mandated continuing disability reviews. This resource demand is not likely to subside any time soon.

Some of the new initiatives SSA plans to implement such as more targeted mailings will help. In addition, the valuable contributions of the Work Incentive Planning and Assistance contractors cannot be overestimated.

NENA believes the new rules will create revenues that ENs can use to conduct marketing locally. NENA plans to help ENs develop Association chapters in their States. These chapters can encourage their EN members to pool resources to develop and distribute marketing materials to ticket users most likely to succeed in the program. The mailings can be targeted using the beneficiary list currently available on CD. These consortia of ENs can build upon the targeted information being developed by SSA's Program Manager for Recruitment and Outreach (PMRO).

Although NENA would very much like to see SSA devote more resources to beneficiary marketing, we understand that is not likely. We believe more collaboration between the PMRO, WIPAs and NENA could significantly improve beneficiary awareness of the benefits of the Ticket program.

III. Earnings Validation

In addition to the promise of the new rules and collaborative, aggressive beneficiary marketing, we believe there is one other area in particular that could significantly help the Ticket program succeed. In Section 1148(h)(2)(B) and other sections throughout the statute that discuss payments to ENs, the language says, "... pay-

ments to an employment network ... for each month ... for which benefits ... are not payable ... *because of work or earnings.*" [emphasis added].

This language has been interpreted by SSA to mean that an EN cannot be paid without collecting earnings data in the form of a pay stub or other equally valid document. This interpretation has proven to be a tremendous burden to ENs and SSA field office staff. One major goal of the program is to ensure that beneficiaries have access to continued services after they go to work with the intent that such services will help them achieve self-support and they can end their use of cash benefits. One of the key provisions of the Ticket program is this follow-on support for 3–5 years after the beneficiary actually achieves an earnings level that is sufficient to end their dependence on cash benefits. An unintended consequence of this language is that it requires an EN to chase down pay stubs for up to 60 months after the individual leaves cash benefits. Otherwise, we forgo timely payments. SSA has implemented some helpful procedures to ease this burden. However, we still wait months for payment unless we can collect pay stubs.

In our experience, once a beneficiary starts working, we want them to be as independent as possible. The requirement to collect pay stubs from them is often annoying, especially after they have been working for an extended period of time. Even though we tell them about this requirement upfront, we are completely at their mercy to get paid in a timely manner.

NENA recommends that the statute be amended to remove the "... because of work or earnings" language. Ticket stakeholders have discussed this issue since first implementation of the statute. Several alternatives to this problem have been discussed and rejected for various reasons as unworkable.

There are reasons a beneficiary might cease using cash benefits other than because of work. But NENA believes that the potential overpayments to ENs would be minimal, especially in light of the tremendous administrative burden this provision has demonstrated itself to be. It is a burden not only to ENs, but also to SSA field office staff, who are struggling to meet SSA goals despite staff attrition and tight budgets. Overpayment to ENs is a simple problem and easily solved; since ENs are contractors, overpayments can easily be recovered with the next month's billing.

We wholeheartedly ask the Subcommittee to seriously review this language. We believe you will agree with us that this is an onerous requirement that should be eliminated.

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to address you today. I would be happy to answer any questions you have.

IV. Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) allows employers to claim a tax credit up to \$2,400 during the first year of employment for hiring workers from certain disadvantaged groups. Ticket program participants are one of the groups for which the employer may take the credit. About one-third of our members who responded to our survey said they find the WOTC useful as an incentive for employers to hire our Ticket participants.

NENA recommends that the WOTC be evaluated at its next reauthorization to consider increasing it to attract the interest of more employers. The WOTC and the amount of the credit was established in 1996. Using the Consumer Price Index Calculator found at www.bls.gov/data/inflation_calculator.htm, if the credit had been increased each year consistent with inflation, the rate would currently be \$3,250. We recommend increasing it to that level and indexing it each year from there.

V. Capitalization

NENA supports the outcome-based design of the Ticket program. However, it can take several months to appreciably start up a program during which an EN will not realize revenues. It can be quite costly and difficult from a cashflow perspective for ENs to capitalize their program. Consequently, many ENs start out very small and only add the program to serve consumers already served by their other programs. ENs need capital to take a larger number of tickets, especially from ticketholders who are not otherwise already engaged through other services. Lack of capital is likely another reason ENs have accepted such a small number of tickets.

One of the key objectives of the Ticket program is to widen the net of available providers and services. Many of the ENs who responded to our survey are working through their State Vocational Rehabilitation agency instead of going it alone. In some ways, that defeats the purpose of expanding the availability of services other than the VR system. This is further exacerbated by the fact that VR agencies around the country are suffering under budget cuts, which reduces the availability of VR services.

NENA has been advocating to bring in the Community Development Financial Institutions (CDFI) managed by the Department of Treasury. NENA is poised to develop a template business plan that ENs can customize for their organization and take to their local CDFI. Concurrently, NENA is advocating on a State-by-State basis to bring the local CDFIs on board to understand the Ticket to Work program with an eye toward infusing capital and financial technical assistance to ENs so they may use loans and grants to buffer them through the lengthy startup phases of their development.

We believe that through the local NENA chapters discussed earlier, ENs can build collaborative efforts to approach their local CDFIs for the seed capital they need. We ask that the Social Security Subcommittee would notify the Department of Treasury to add Ticket program ENs to the list of programs that CDFIs consider funding. This will greatly assist ENs in working with CDFIs on the local level.

Chairman TANNER. Thank you very much, Ms. Webb. We may well have some followup questions on your suggestions later on. So thank you for raising those.

Mr. Golden, you are recognized, sir.

STATEMENT OF THOMAS P. GOLDEN, PRESIDENT, NATIONAL ASSOCIATION OF BENEFITS AND WORK INCENTIVES SPECIALISTS

Mr. GOLDEN. Thank you, Chairman Tanner, Ranking Member Johnson, and Members, thank you for inviting me to testify today on behalf of the National Association for Benefits and Work Incentives Specialists, a national association composed of many and varied professionals providing assistance to individuals who receive disability benefits and public entitlements.

With the passage of the Ticket to Work and Work Incentives Improvement Act came a promise to millions of Americans with disabilities who receive SSI and SSDI, that they would have access to the critical supports that they need to realize the American dream: The ability to work and earn wages and not have the path to employment blocked by policy barriers and risks associated with losing critical health care coverage.

Over a decade later, while we have minimized some obstacles in employment, this critical piece of legislation, as you had expressed earlier, has yet to fully recognize its potential. Today I would like to share with you our perceptions of successes to date, challenges for the future, and specific recommendations for your consideration to re-establish a new course that ensures not just achieving, but exceeding the original intentions and purpose of the Act.

Specifically, my testimony is going to fall into four categories: Implementation of the Ticket to Work program; work CDRs, backlogs and overpayments; reauthorization of the work incentives outreach provision of the law; and SSA's demonstration authority.

While prior to the release of the recent Ticket to Work regulation changes the outlook for the program seemed bleak, as you have heard from testimony from Sue Suter, there has been a new program released, and we have seen increased numbers of ENs engaged in the program, increased numbers of ENs actively participating, and increased numbers of payments to employment networks for successful outcomes.

WIPA and PABSS, along with the area work incentive coordinators employed by SSA and other return-to-work partners have

played a critical role in supporting these outcomes through a variety of strategic outreach events, including work incentive seminars, or WISE. These types of high-touch outreach events provide opportunities to educate community partners, and hold great promise for the continued success of the program.

While we are hopeful that the new regulations and increased recruitment and marketing activities will continue to expand the universe of providers currently available under the program, we feel strongly that a national education campaign to increase beneficiary information regarding the program is very much needed. The ongoing need to educate beneficiaries, parents, and other stakeholders about the program and the opportunity that it provides is critical.

Another challenge needing to be addressed is the extent to which the adequacy of incentives population, or the AOI population, in the original legislation is participating in the Ticket to Work program. While the new regulations and payment scheme for the program recognize and value beneficiaries who work part-time, there is no convincing data to date to substantiate that individuals requiring high-cost accommodations, beneficiaries who require long-term supports, or individuals earning sub-minimum wage are able to participate in the program.

Therefore, we offer two recommendations for the Subcommittee's consideration to improve the Ticket to Work program.

First, Congress should require SSA to conduct a general education campaign for beneficiaries, and allocate additional resources to WIPA for increased educational and outreach activities to support the program in recognizing its full potential.

Second, Congress should require SSA to conduct a second adequacy of incentives study to gauge participation of this population in the program. This could be accomplished by modifying reporting requirements for ENs, and asking them to identify when a beneficiary is part of one of the four targeted groups.

In regard to work CDRs, backlogs, and overpayment, NABWIS applauds Congress' allocation of personnel resources to SSA to aid them in addressing the issue of work CDRs, backlogs, and overpayments. But there is where we stop. This one area has done more to undermine the marketing of work incentives than any other single thing. NABWIS members, regardless of setting and location, are experiencing overpayments resulting from CDR backlogs and weak SSA operations in documenting earnings.

We need to have resources allocated to SSA in the form of AWICs and WILs, because they play a critical role in adjudicating work issues on behalf of the Social Security Administration. Because the work CDRs are rarely done on a timely basis, even when beneficiaries report wages timely, the quality of the results can be greatly diminished.

Also, the notices that are sent out are becoming poorer and poorer in quality, often not explaining the basis for decisions, as required by the regulations. Addressing the issue requires SSA to prepare and assign adequate personnel with knowledge of work and employment supports to process these critical work claims.

Therefore, we would like to recommend that SSA expand the current AWIC and WIL corps of work incentives specialists that are

outlined in the work incentive outreach provision of the law by 50 percent to increase resources for adjudicating these work claims.

In regard to reauthorization of the work incentive planning and assistance programs, as well as the PABSS program, I presented information in my testimony that showed clear and convincing evidence of the positive outcome of that provision of the law.

Most unfortunate, though, is recognizing that over the past two decades we continue to see a decrease in work incentive utilizations, specifically the IRWE, the PASS, the blind work expense, as well as other work incentive programs, despite our best efforts at providing more information. That speaks to a potential that possibly those work incentives aren't actually work incentives at all. While they may work for a very small portion of the population, they don't seem to be allowing individuals the necessary resources that they need to be able to start down that path to employment.

We can't report to you on SSDI work incentives, because SSDI does not make that data public regarding the number of work incentives that are utilized under that program.

Therefore, to close very quickly, we would like to recommend that Congress think, as they look at reauthorizing this piece of legislation, that they clearly set out a much more clear set of performance standards and indicators for the WIPA program, the PABSS, as well as the AWICs, as well as require a data management system that can be integrated with SSA administrative data to report attainment and progress toward specific employment goals, as well as to be able to begin to report on SSDI work incentive utilization, and just not the work incentives under the SSI program.

I do have some additional thoughts regarding SSA demonstrations that are included in my testimony, and appreciate your consideration of those. Thank you.

[The prepared statement of Mr. Golden follows:]

**Prepared Statement of Thomas P. Golden, President,
National Association of Benefits and Work Incentives Specialists**

I. Introduction

Chairman Tanner and Members of the Subcommittee, thank you for inviting me to testify today on behalf of the National Association for Benefits and Work Incentives Specialists (NABWIS). I am both honored and proud to be here as the current President of the NABWIS—a national association composed of many and varied professionals providing assistance to individuals who receive disability benefits and public entitlements. In communities all across America, hundreds of benefits and work incentives specialists are trained to provide information and indepth analysis to individuals currently receiving benefits so that those individuals can make informed choices about employment. Some practitioners are funded by the Social Security Administration, some of us work for State agencies, while others work in community rehabilitation programs—all committed to seeing that people with disabilities get the highest quality information available to support choices regarding work and increased economic self-sufficiency. The profession of benefits and work incentives planning and assistance is a growing field—taking its place as a critical employment support service for individuals who receive disability benefits. I am extremely grateful for this Subcommittee's support and assistance in, among other things, efforts to increase employment support, and ensure that the Ticket to Work Act realizes its full potential.

II. Background

With the passage of the Ticket to Work and Work Incentives Improvement Act came a promise to millions of Americans with disabilities who receive Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) that they would have access to the critical supports they need to realize the American

dream—the ability to work and earn wages and not have the path to employment blocked by policy barriers and risks associated with losing critical health care coverage. Over a decade later, while we have minimized some obstacles to employment resulting in increased employment participation and created some new health care options, the vision cast on December 17, 1999 and potential of this critical piece of legislation has yet to be fully recognized.

Today, I would like to share with you our perceptions of successes to date, challenges for the future, and specific recommendations for your consideration to reestablish a course that ensures not just achieving but exceeding the original intentions and purpose of the Act. A critical part for resetting that course is the ongoing commitment of this Subcommittee to continue to identify and remove obstacles to employment for beneficiaries who want to work while at the same time encouraging and supporting the SSA to continue the culture shift within their work environment to become focused on return-to-work. Specifically, we will address the overall implementation of the Ticket to Work and Self-Sufficiency program; Work CDRs, backlogs and overpayments; reauthorization of the work incentives outreach provision of the law; and, SSA's demonstration authority.

III. The Implementation of the Ticket to Work and Self-Sufficiency Program

As mentioned earlier, Congress hoped that the creation of the Ticket program would: Stimulate private sector providers and employers to participate; engender competition, and; empower beneficiaries with more choices and greater involvement in the employment and rehabilitation process. While in 2004, with the release of the Ticket to Work and Work Incentives Advisory Panel's report, "The Crisis in EN Participation," the outlook seemed bleak for the Ticket to Work program, SSA's promulgation of new regulations, increased focus on marketing and recruitment and alignment of the WIPA, PABSS and AWIC efforts to strategically support employment outcomes heralded a new beginning for the program.

As you will hear in other testimony today, implementation of the new Ticket to Work program has increased the number of ENs engaged in the program, the number of ENs actively participating, the number of payments to ENs for successful outcomes, and increased numbers of beneficiaries achieving successful work outcomes. WIPA, PABSS, AWICs and other return to work partners have played a critical role in supporting these outcomes through a variety of strategic outreach events, including Work Incentives Seminars (WISE). These types of high-touch outreach events provide opportunities to educate community partners and hold great promise for the continued success of the program.

While we are hopeful that the new regulations and increased recruitment and marketing activities will continue to expand the universe of providers available under the program, a national education campaign to increase beneficiary information regarding the program is needed. Beneficiaries need to hear information about return to work from more than just one sector, and more than one time to consider employment options. The ongoing need to educate beneficiaries, parents and other stakeholders is critical. They need to hear the information several times from knowledgeable people who provide accurate information. Individuals who do not understand or trust the information will not choose to work. The programs in the work incentives outreach provision of the law are tasked with huge responsibilities to support successful outcomes under the Ticket to Work program. Another challenge needing to be addressed is the extent to which the Adequacy of Incentives (AOI) population in the original legislation is participating in the Ticket to Work program. While the new regulations and payment scheme for the program recognize and value beneficiaries who work part-time, there is no convincing data to substantiate that individuals requiring high cost accommodations, beneficiaries who require long-term supports or individuals earning sub-minimum wage are participating in the program. While SSA has used administrative data to attempt to identify these potential populations, the experience of disability is not homogenous and specific disability categories are not representative of the AOI populations. We offer two recommendations for the Subcommittee's consideration. Congress should require SSA to conduct a general education campaign for beneficiaries and allocate additional resources to WIPA for increased educational and outreach activities to support the program in recognizing its full potential. Congress should require SSA to conduct a subsequent AOI study to gauge participation in the program. This could be accomplished by modifying reporting requirements for ENs and asking them to identify when a beneficiary is part of one of the four targeted populations.

IV. Work CDRs, Backlogs and Overpayments

NABWIS applauds Congress' allocation of personnel resources to the SSA to aid them in addressing the issue of work CDRs, backlogs and overpayments. Beyond

that though, this is the one area that has done more to undermine the marketing of work incentives than any other single thing. NABWIS members, regardless of setting and location, are experiencing overpayments resulting from CDR backlogs and weak SSA operations in documenting earnings. One of the most critical work support roles that SSA can engage in is the timely input of wages and processing decisions based on that information. SSA has had pockets of excellence in addressing these operations issues. In New York State, as part of the State Partnership Initiative from 1999–2005 interventions under this research demonstration almost eliminated the occurrence of overpayments. A key to the success of this part of that intervention was adequately trained and allocated personnel within the SSA office to process work claims. AWIC and WIL personnel play a critical and vital role in adjudicating work issues. Because the work CDRs are rarely done on a timely basis, even when beneficiaries report wages timely, the quality of the results can be greatly diminished. Also, the notices that get sent out are becoming of poorer and poorer quality, often not explaining the basis for decisions as required by the regulations. A huge process finding from the \$1 for \$2 benefit Offset Pilot was the number of overpayments and inappropriate suspension of benefits that were the result of delays in development of the Trial Work Period (TWP). The inability of SSA to manage the TWP in a timely manner is itself an additional work disincentive. The TWP is an ineffective work incentive that is costly for SSA to administer. Addressing this issue requires SSA to prepare and assign adequate personnel with knowledge of work and employment supports to process work claims. This investment of personnel, while costly at first will prove advantageous in the long run as work claims are processed in effective and proactive ways. We recommend that: SSA expand the current AWIC and WIL corps of work incentive specialists by 50% to increase resources for adjudicating work claims and increasing contact and outreach within local communities.

V. Reauthorization of the Work Incentives Outreach Provision of the Ticket to Work Act

Since the passage of the Ticket to Work Act, extensive work incentives training and dissemination efforts have been implemented nationally as a result of the work incentives outreach provision of the law which included three important dimensions: Development of a corps of work incentive specialists within the SSA; a national network of benefits and work incentives planning and assistance practitioners, and; protection and advocacy services and supports for beneficiaries of Social Security. Generally, the purpose of the work incentive outreach provision of the law was to increase the availability of work incentive information to disability beneficiaries to support informed choice regarding work. While clearly there was a well-documented need for knowledge dissemination about work incentive provisions, an underlying assumption of many in the disability community leading up to the passage of the Act was that increased knowledge would translate into individual beneficiary change as well as organizational practice change. Yet, research on organizational change suggests that knowledge transfer alone is often not sufficient to bring about behavioral changes in individuals and/or organizations. Similarly, research shows that knowledge-based training programs may be weak interventions for bringing about organizational change; the barriers to changing individual and organizational practice may not be based in insufficient knowledge. Rather, barriers to change may lie more in elements of individual and organizational culture that subtly contradict the aims of the intended change.

There are many successes along the road to implementation of this provision of the law that should be celebrated.

A customer satisfaction survey conducted by the SSA in 2004 of a random sampling of 1,764 beneficiaries having accessed benefits planning, assistance and outreach services found that: 89 percent of respondents rated the counseling they received as “good,” 94 percent felt the information they received was correct and 21 percent began working subsequent to having received benefits counseling. While the survey also found that only 43 percent of respondents stated that the benefits counselor contacted someone on their behalf to move them into employment, SSA developed an action plan to realign the national network reinforcing their role as an essential support leading to employment and strategically conducting outreach to populations of beneficiaries with an expressed interest in work.

From the establishment of the original BPAO initiative to the current Work Incentives Planning and Assistance (WIPA) network we have seen increasing numbers of individuals returning to work under the SSI program and participating in the 1619(b) provision (from 6.7% in 1999 to 7.9% in 2007 with an approximate 7% increase in 1619(b) participation rates).

Research from the State of Vermont showed a 102% increase in earnings after an enrollment in benefits and work incentives counseling for beneficiaries who chose to work. The study also documented that in the year following enrollment in benefits and work incentives counseling that participants brought in an additional \$800,000 in additional earnings and raised their employment rates from 35–50%. The study's conclusions highlight that enrollees earned on average \$1,400 more after enrolling in benefits counseling services. Similar empirical results have been found in other States like New York, Minnesota, Wisconsin, Connecticut and others although average costs for services varies based on level of intensity, credentials and level of preparation of personnel and other variables.

The SSA has successfully established an internal corps of work incentive specialists through the Area Work Incentive Coordinators (AWICs) and Work Incentive Liaisons (WILS) that have become integral change agents not only within the SSA but also on a regional and Statewide level.

While we celebrate the successes of this provision to date, the future holds many challenges.

While the network of work incentives practitioners have contributed to increased employment outcomes for beneficiaries, we have seen no improvement in work incentive utilization. In 1995, 10,322 SSI recipients were using the PASS as a work incentive. By 2000, only 1,382 SSI recipients were using the PASS.¹ While the number of SSI recipients using a PASS increased to 1,582 in 2005 through the BPA&O years, since implementation of the WIPA initiative the number of PASS has declined to 1,515 in 2007. Use of an IRWE as a work incentive continues on a steady decline as well from 9,940 SSI recipients in 1995 to 5,161 in 2007. Use of BWE as a work incentive has shown more than a 50% reduction in utilization from 4,433 SSI recipients in 1995 to 2,142 SSI recipients in 2007. This data might suggest the existence of a knowing/doing gap on several fronts. First, potentially the knowledge gained from work incentive training programs may not be translating into “doing” or assisting the beneficiary into putting an action plan into place that results in work incentive utilization or employment. Further, it recognizes that the choice to work lies in the hand of the beneficiary and there may be other obstacles out of the control of the profession that come to bear on the beneficiary's final decision. Finally, it may provide strong evidence that the current package of work incentives continue to be too complicated and may not provide adequate enough incentives to make work pay. Regardless of the reason, this does not augur well, and holds significant implications for the ongoing evolution of public policy—with an emphasis not only on knowledge-based learning objectives but also behavioral and performance-based objectives as well.

Recipients of cooperative agreements under the WIPA program, as well as PABSS, have operated on the same or reduced levels of funding now for more than 8 years, meaning that resources/staffing is going down when the demand for work is going up. At the same time, SSA has not conducted research or required a rigorous data management system to document costs of services under either program to substantiate the need for increased allocations. Data clearly substantiates that both projects can have a positive impact on employment outcomes if funding is increased substantially.

The current AWIC and WIL networks are spread too thin and while having a positive impact on a larger regional and Statewide level, cannot make a meaningful contribution at the local level where it is needed most.

The lack of performance benchmarks for the work incentives outreach provision of the Act make it difficult to gauge the effectiveness of work conducted to date. The Ticket to Work and Work Incentives Advisory Panel in their report entitled “Update, Simplify and Educate: A National Call to Optimize Work Incentives” called for establishment of clear performance objectives and standards for these networks although to date no action has been taken to build in accountability measures.

Unfortunately, we were not able to present data on the return to work and work incentive utilization rates of SSDI beneficiaries as SSA does not produce annual statistical supplements of this information. The Ticket to Work and Work Incentives Advisory Panel in both their Final Report and Work Incentive Utilization Report provided clear guidance to the SSA as to the need for this information, format and frequency with which it should be reported although to date the SSA has yet to respond to this critical guidance.

To continue to broaden the impact of this provision, we strongly recommend action in the following areas:

¹During the spring of 1996 SSA completely redesigned the way in which the PASS incentive was administered in response to a report issued by the GAO. This drastically reduced the number of PASS in the United States.

Require the SSA to conduct a demonstration to simplify the existing array of work incentives that exist and improve consistency across the SSI and SSDI programs.

Expand the current allocation of resources for both the WIPA and PABSS by 25% with an annual cost of living adjustment to ensure that the existing workforce and effort are maintained at adequate levels. Subsequently, require the SSA to conduct a cost/benefit analysis to determine per beneficiary costs to provide a formula for future allocations.

Expand the resources available to the SSA to increase the number of AWIC/WIL 50% to increase impact at the local level.

Identify a clear set of performance standards and indicators for the three facets of the work incentives outreach provision and a national data management system that can be integrated with SSA administrative data to report attainment and progress toward these benchmarks.

Require the SSA to collect and annually distribute a statistical supplement/update on the return to work and work incentive utilization rates of SSDI beneficiaries.

VI. SSA's Demonstration Authority

The Benefit Offset Demonstration. Under the Ticket to Work Act, SSA was required to conduct a national demo of a \$1 for \$2 offset for the SSDI program to address the issue of the substantial gainful activity cliff. Until very recently there have been no research data to support the assumption that beneficiaries would increase their employment if an offset were available. However, in 2008, data from the four pilot projects in Connecticut, Utah, Vermont and Wisconsin established by the Social Security Administration (SSA) have begun to provide clear evidence that a gradual offset of SSDI benefits would result in increased earnings. Originally, the State pilots were established as an implementation test, to inform a much larger national demonstration planned to start in 2009 and be completed in 2015. However, the pilots were each implemented with a rigorous experimental research design and have each begun to produce outcome data. To date, the results from the States appear to support a gradual offset as policy for the SSDI program.

Based on the experiences and results from these States, a policy change could accomplish several important goals: Increase the employment levels of SSDI beneficiaries; increase the economic well-being and self-sufficiency of SSDI beneficiaries; generate cost savings or at minimum be cost neutral to the Trust Fund; simplify the administration of the SSDI program.

While the four pilot States are producing very promising data to reinforce the need for significant policy change, it has been over a decade and the national demonstration has still not happened. At this rate, even if the demo occurs, there will not be results until 2017. The four State pilots have already produced data indicating an offset would result in increased earnings rates for beneficiaries. While the numbers are small, the pilots were conducted using random assignment experimental design. In addition, the SSA Advisory Council in an April 2009 policy brief, has proposed SSA look to modeling and simulation to evaluate the possible impact of a \$1 for \$2 instead of doing a lengthy demo that may not yield results that are useful in terms of policymaking. They support the implementation of an SSI like offset for DI beneficiaries will "do much to encourage work by SSDI beneficiaries." There is concern that the large scale of the demo (across 10 sites) and the inevitable implementation challenges that SSA and the sites will experience will result in a false negative result. For example, if SSA ramps up the demo without sufficient resources on the ground (benefits counseling and other supports), the first couple of years of the demo will be lost because folks simply won't understand it. Also, if there are implementation issues with administration of the offset beneficiaries will be unwilling to risk participation for fear of errors.

Based on the results to date and to accomplish the intended goals of Congress, the following broad policy changes are recommended:

A \$1 reduction (offset) of SSDI cash benefits for every \$2 in employment earnings.

Elimination of the "Trial Work Period" and "Extended Period of Eligibility."

Continued attachment to the SSDI program for beneficiaries.

These proposed policy changes would bring the work rules of the SSDI program into alignment with other broad State and Federal program initiatives launched under the umbrella of the 1999 Ticket to Work and Work Incentives Improvement Act. Most importantly, this change will provide beneficiaries with significant disabilities the opportunity to try to return to work without risking *everything in the process*.

SSA Demonstration Authority. It is critical that SSA be provided ongoing authority to demonstrate program innovations that promote return to work and test new approaches to establishing disability standards. While SSA has executed their authority in the past, it has only been as directed by Congress. It is critical that this

Subcommittee identify demonstration priorities for the next 10 years that contribute to innovations that result in reduction of the disability rolls and promote increased employment outcomes. Beyond rolling out the policy recommendations above pertaining to the \$1 for \$2 offset under the DI program, Congress should direct SSA to conduct additional demonstrations that include:

Creating, piloting and evaluating new work incentives that streamline, simplify and bring consistency between both the SSI and DI program.

Creating, piloting and evaluating a new disability standard leading to a voluntary and elective short-term employment support benefit.

These recommendations are consistent with past recommendations put forth by the Ticket to Work and Work Incentives Advisory Panel in their final report.

VII. Conclusion

I would like to thank you again for the privilege and opportunity to appear before you today, and to thank the SSA and its staff for their hard work, vision and commitment to ensuring that disability beneficiaries have access to the critical employment supports they need to realize the American dream. I would be happy to answer any questions you might have.

Respectfully submitted,

Thomas P. Golden, President

National Association of Benefits and Work Incentives Specialists

Cc: NABWIS Board of Directors

Chairman TANNER. Thank you. As all of you know, your statement in its entirety is in the record, and that staff is already looking at some of the suggestions. So, thank you for your testimony.

Dr. Growick, you have the floor, please.

STATEMENT OF BRUCE GROWICK, ASSOCIATE PROFESSOR OF REHABILITATION SERVICES, THE OHIO STATE UNIVERSITY COLLEGE OF EDUCATION, COLUMBUS, OHIO

Mr. GROWICK. Yes. Thank you, Chairman, and Members of the Subcommittee. I certainly do appreciate being here. My name is Bruce Growick, and I am on faculty at Ohio State University, where I train rehabilitation professionals at the master's level, those individuals who work both in the public and private sector to return individuals with disabilities back to work.

For those of you who are perhaps not familiar with the Ticket program, since it does have a rather strong legacy, and having been dated back to the 1980s with initial demonstration projects, I do have two scholarly papers that I have authored that are going to be included in the record, and I strongly encourage you to take a look at them if you are not familiar with the Ticket.

One is entitled, "The Political Implications of the Ticket," which outlines the quid pro quos of the basic aspects of the Ticket that were important, in terms of it initially getting passed.

The second article, which was published afterward, is entitled, "The Unintended Consequences of an Imperfect Law." And in that article what I try to do is outline what the current shortcomings of the Ticket are.

And what I am here to do today is to share with you my disappointment with the Ticket. I was involved in the Ticket as early as the 1980s, when Social Security Administration first developed demonstration projects showing that rehab counselors in the private sector, as they do in other disability venues, such as workers

compensation, long-term disability, and personal injury cases, help individuals with disabilities return to work.

With those demonstration projects, it became clear that the existing sole provider of rehabilitation services, namely the State Federal system, should not be the only provider of rehabilitation services, return-to-work services. So, what the Ticket did, in part, was provide an opportunity for private providers, called the ENs, to become part of the equation in helping the over 10 million Social Security beneficiaries return to work.

Unfortunately, that has not been the case. The number of ENs that are participants in the Ticket to Work program is very small, if not totally negligible. Individuals that I train at the master's level at the university are clearly not interested in entering into this venue to provide services for individuals who sorely need them.

The Ticket to Work program has not increased the number of beneficiaries that have returned to work. Initially, in the preamble of the law, it talks about the State Federal rehab system returning less than one-half of 1 percent of beneficiaries back to work. And that has continued to be the case. The Ticket program has not had an appreciable and positive impact on the number of individuals who are receiving Social Security benefits.

In my remarks I would like to make three suggestions, in terms of ways in which perhaps this can be improved. First of all, the Social Security Administration convened a committee of which I was a part a couple of years ago called, The Adequacy of Incentives. That committee focused on the beneficiaries and incentives that would increase the number of beneficiaries who might be interested in the program.

What I would like to suggest to the Committee is that you convene, through the Social Security Administration, a similar committee to focus on the ENs, the providers, the providers of the other half of the equation here, those individuals, other than that State Federal rehab system that can return individuals with disabilities back to work. It is crucial that you make the Ticket program as inviting and as friendly to providers as you do to beneficiaries.

Second of all, regarding the WIPA program and the PABSS program, I would like to see some goals and milestones attached to those programs that are related to the return to work. The purpose those provisions are in the Ticket is to help beneficiaries understand the Ticket program and return to work. If those milestones or goals are not included, then perhaps the WIPA program and the PABSS program can be decoupled from the Ticket program.

And then, lastly, as a creative suggestion, I would like to see the State Federal VR system focus on individuals who are applicants to the Social Security disability system, and not necessarily beneficiaries. If one separates out the service providers between public and private, in terms of who is disabled under Social Security and who isn't, I think we can accomplish a lot more.

Thank you very much for the opportunity to provide these comments. I would be happy to answer any questions that you might have.

[The prepared statement of Mr. Growick follows:]

**Prepared Statement of Bruce Growick,
Associate Professor of Rehabilitation Services,
The Ohio State University College of Education, Columbus, Ohio
Employment Support Programs for Disability Beneficiaries**

- (1) Biographical Statement
 - Faculty member at Ohio State University in Vocational Rehabilitation Services since 1982.
 - Former State Director of the Vocational Rehabilitation Division of the Bureau of Worker's Compensation in Ohio (1989–1990).
 - Past National President of the Association of Rehabilitation Professionals (1994–1995).
 - Presidential Appointee to the U.S. Access Board (2002–2006).
 - Practicing vocational rehabilitation professional with SSA, Ohio Workers' Compensation, Ohio Police and Firemen Disability Fund, and civil courts (1992–present).
- (2) Involvement with the 'Ticket'
 - As President of the Association of Rehab Professionals in the Private Sector (which has 3,200 members nationally and 38 State Chapters) in 1995, I was asked to represent vocational rehab professionals in disability determination and management in various settings, such as workers' compensation, personal injury, Social Security, and pension funds.
 - Participated in the negotiations for the passage of the Bill during the 1990s, and attended the Bill signing ceremony in 12/1999.
 - Conducted for the SSA a national survey of ENs in 2002 on their interest in providing services under the 'Ticket' program.
 - Participated in the Adequacy of Incentives (AOI) committee of SSA that developed the most recent rule changes in the 'Ticket.'
 - Has presented numerous times to the 'Ticket' Advisory Panel on the role and functions of ENs in the 'Ticket' program.
 - As a Commissioner for VR in Ohio, I have continued to promote the advantages of the 'Ticket' for RTWs, such as suggesting the use of Federal stimulus money for the development of ENs.
- (3) The Basic Premise of the 'Ticket' (Insert for the Record: Growick, Bruce (2001). "The Political Implications of TTW-WIIA." *Rehabilitation Education*. 15(1), 89–93.)
 - The GAO has repeatedly reported in the 1990s that many SSA disability beneficiaries are not receiving RTW services under the model of RSA as the sole provider of VR services.
 - Other indemnity systems, such as Workers' Compensation and Long-Term Disability, use independent rehabilitation professionals (i.e., the private-sector) to return beneficiaries to work and save Trust Fund money.
 - The SSA in Demonstration Projects in the late 1980s and early 1990s substantiated the fact that 12–15% of the SSA beneficiaries would be feasible for RTW services with 5–8% actually returning to work and saving the Trust Fund money.
 - 'Consumer Choice' or 'Fair Trade' in the delivery of VR services to SSA disability beneficiaries should be paramount.
 - According to a national study by the GAO, the major obstacle or disincentive for SSA disability beneficiaries to RTW is health care, and NOT monthly cash payments.
 - The basic 'quid pro quo' of the 'Ticket' is the provision of health care coverage to RTW beneficiaries, in return for the use of the private sector for those RTW services.
- (4) Why the 'Ticket' is Currently Not Working (Insert for the Record: Growick, Bruce (2003). "The Ticket to Work: The unintentional consequences of an imperfect law." *Rehabilitation Professional*. 12(3), 18–21.)
 - The eventual rules and regulations covering the 'Ticket' were not provider (EN) friendly, such as the enrollment process, the fee schedule including milestone and annuity payments, the inability to review cases before contact, and the overall lack of cooperation of SSA as the regulatory body for the 'Ticket' program.
 - Even though the 'Ticket' program was not meant for everyone, as the SSA demo projects indicated, the guidelines developed for the program tried to be

too inclusive. All disabilities and functional limitations, i.e., potential barriers to employment, are not the same.

- The State-Federal VR System continues to monopolize the delivery of VR services to SSA beneficiaries, and is still not willing to relinquish its role as sole provider of rehab services; it is 'all about the money.'
- (5) Where Are We Now and What Should Be Done
- SSA still needs to function more like a private insurance company, and less like a public bureaucracy if possible.
 - VR services, after disability determination, should be delivered by the private sector under the 'Ticket' where competition among providers makes it more effective and efficient.
 - WIPA and P&A services, although worthy services, should not be tied to the 'Ticket' program.
 - With looming health care changes, it is imperative to reexamine the basic 'quid pro quo' of the 'Ticket.'
 - The State-Federal system of VR should concentrate mostly on RTW services for pre-SSA disability cases.
 - Different VR paradigms exist across the country for different indemnity systems with the same goal: Reduced Trust Fund payments, and more RTWs.
- (6) Summary
- Vocational rehabilitation is a necessary element of the SSA disability program which is good for both SSA Trust Fund and beneficiaries when done 'right.'
 - The rules and regulations for the 'Ticket' program should be evaluated and reformulated for their willingness to incorporate ENs into the service delivery system, just like the incentives were.
 - The WIPA and P&A programs, although laudatory, should be decoupled from the 'Ticket' program.
 - Greater synergy should be developed between SSA and RSA in the delivery of VR services to applicants for, rather than beneficiaries of SSA disability (i.e., an early intervention program).

Thank you for the opportunity to present these observations and suggestions to you, and I am pleased to respond to any questions that the Subcommittee Members may have.

Chairman TANNER. Thank you very much. A most interesting presentation, and we will follow up.

Dr. Kregel, you have the floor.

STATEMENT OF JOHN KREGEL, CENTER ASSOCIATE DIRECTOR AND DIRECTOR OF RESEARCH, VIRGINIA COMMONWEALTH UNIVERSITY, REHABILITATION RESEARCH AND TRAINING CENTER ON WORKPLACE SUPPORTS AND JOB RETENTION, RICHMOND, VIRGINIA

Mr. KREGEL. Mr. Chairman, thank you very much for this opportunity. I will focus my comments today on SSA's employment programs, particularly the WIPA program.

First, I would like to say that, while we, as a country, spend over \$100 billion per year on our disability benefit programs, SSA spends far less than \$1 billion on our efforts to return beneficiaries to work. The programs that you have heard about today, funded under the Ticket legislation, represent SSA's only effort to assist beneficiaries to work their way back off benefits.

These programs should be carefully designed, stringently monitored, and continuously evaluated. The parts of the programs that are not working should be fixed or eliminated. The parts that are working successfully should be maintained and expanded.

Let me now turn my attention to one of these programs, the Work Incentive Planning and Assistance, or WIPA, program. The

WIPA program is a large, SSA-operated employment program which has provided assistance to over 350,000 SSA beneficiaries since its inception. The WIPA program is not focused on helping individuals remain on benefits, express complaints or concerns to SSA, or solve every beneficiary payment problem. It has a clear, concise mission: Assist the 2 million current beneficiaries who today are working or actively seeking employment, to ultimately work their way off of SSA cash benefits.

Let me provide you an example based on these data. The Center for Independent Living of Middle Tennessee work incentive planning and assistance program serves 40 counties in western and central Tennessee, an area that contains more than 150 WIPA-eligible adults with disabilities receiving SSI and/or SSDI. Best estimates indicate that there are 15,000 beneficiaries residing in these counties who have engaged in employment, or actively sought employment during the past 12 months alone. These individuals should be the focus of SSA's return-to-work efforts.

The CIL in middle Tennessee is recognized as one of the best WIPA projects in the country. It's a highly productive program, staffed by outstanding CWICs. The project has provided intensive WIPA services to over 1,200 beneficiaries since its inception in 2006 alone. The situation is equally challenging, and full of opportunities in each of the districts represented by your colleagues on the Committee.

My written testimony documents only a few of the remarkable case studies that are occurring daily across the country, illustrating how beneficiaries are obtaining employment for the first time, returning to employment after a lengthy absence, or working their way off benefits with the assistance of a CWIC, a community work incentive coordinator.

But WIPAs are overwhelmed and extremely frustrated at their inability to meet the needs of all the beneficiaries requesting their services. Their meager funding—the program has been flat-funded since its inception in 2000—makes it difficult for them to provide effective and timely services. Wait lists for WIPA services in many of your districts are reaching 30 days. This flies in the face of everything we know about providing employment services, which should be provided to the individuals at precisely the moment where they have made a serious commitment to obtain or return to employment.

An additional 1,000 CWICs could work tomorrow to significantly improve the current lack of program capacity. Since current evidence indicates that WIPA services such as those provided by Easter Seals of Greater Northwest Texas can increase the rate of beneficiaries working their way off benefits to three times over the national average, this type of increase would ultimately result in savings to both the Trust Fund and the general fund.

Also, additional CWICs are required to prevent or ameliorate the effects of overpayments. The overpayment problem may be difficult for you to grasp, Mr. Chairman. It seems illogical, because it is illogical. The system isn't designed to pay beneficiaries the proper amount of benefits. It is designed to pay them too much, and then demand that they pay it back, even though the individual is trying

to work, reduce or eliminate the need for disability benefits, and has complied with all program rules for timely reporting.

Overpayments are built into our system. They are demoralizing to working beneficiaries, and frequently result in the individual disengaging from the workforce. With funding for an additional 200 CWICs, the WIPA program can significantly ameliorate the impact of overpayments on individuals and their families, and help to ensure that the problem doesn't lead to individuals abandoning their employment efforts altogether.

Finally, additional resources to the WIPA program would increase services to underserved populations. There are subgroups of the beneficiary population, as has been pointed out, that are not adequately served by the WIPA program at the present time. Foremost among these are transition-aged youth leaving secondary special education programs and veterans who receive disability compensation or disability pension benefits under VA, as well as Social Security benefits. An additional 200 to 400 CWIC positions would enable the WIPA program to seriously meet this unmet need.

Mr. Chairman, thank you very much for your opportunity, and I look forward to responding to any questions you may have.

[The prepared statement of Mr. Kregel follows:]

**Prepared Statement of John Kregel, Center Associate Director
and Director of Research, Virginia Commonwealth University,
Rehabilitation Research and Training Center on
Workplace Supports and Job Retention, Richmond, Virginia**

Work Incentives Planning and Assistance (WIPA) is an integral part of SSA strategy to promote employment among SSA beneficiaries, reduce dependence on SSI and SSDI cash benefits, reduce the number of burdensome overpayments and other post entitlement problems experienced by beneficiaries engaged in employment, and decrease Trust Fund and general fund expenditures by reducing cash payments to beneficiaries. Authorized by Section 121 of the Ticket to Work and Work Incentive Improvement Act of 1999, 104 WIPA projects are providing services to SSA beneficiaries in all 50 States and territories. Collectively, the 104 projects employ over 400 Community Work Incentive Coordinators (CWICs), many of whom are themselves individuals with disabilities, and have served over 350,000 individuals since the program's inception in 2000.

The mission of the WIPA program is to provide timely and accurate information to beneficiaries on SSA's work incentives and other Federal efforts to remove regulatory and programmatic barriers to employment for persons with disabilities. To achieve this purpose, the program uses a highly skilled and rigorously trained cadre of CWICs to provide individual counseling to beneficiaries seeking employment and intensive followup services to ensure that the beneficiaries are using the work incentives appropriately, that they have been connected to employment service programs in their community, and that they are communicating their work activities to the Social Security Administration. CWICs in local WIPA 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.

The questions posed to benefits specialists by beneficiaries are basic and straightforward. What will happen to my benefit check if I return to work? I want to start my own business—is this possible if I receive SSA benefits? I am currently working and got a letter from SSA indicating that I have been overpaid and have to pay back money—can you help me? I want to start a new career—where should I begin? As simple and basic as these questions are, their answers are often complex and highly individualized. Even more frustrating to beneficiaries is the overwhelming amount of confusing and inconsistent information they often receive from SSA field offices, 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 to pursue their career goals.

The WIPA program 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. SSA field office staffs, overwhelmed with processing current disability claims, are simply unable to provide this level of intensive services. Armed with an understanding of the impact of employment on their benefits, beneficiaries can confidently pursue employment options, maintain health care coverage, and obtain necessary employment 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.

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 beneficiaries are told that employment will affect their benefits 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 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 beneficiary. Viewed from this perspective, the WIPA program is the most basic of all employment services. For example:

- Staff from the Center for Independent Living—Middle Tennessee report talking to many individuals who have received conflicting and often inaccurate information from the Vocational Rehabilitation agency, SSA field offices, and Employment Networks. This confusion increases fear and causes concerns among beneficiaries bravely attempting to return to work.
- In eastern Pennsylvania, WIPA project staff members describe a number of consumers who have stopped working while on benefits because of substantial overpayment situations, many of which occur even though the beneficiaries have maintained meticulous earnings records and are accurately following SSA wage reporting procedures.
- In 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 WIPA project upon requests. Many beneficiaries have noted they have not been provided accommodations at the SSA office even when requested.
- In California, most beneficiaries contacting the Familia Unida WIPA project 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.

This testimony contains four sections. The first section discusses the need for WIPA services and summarizes current program outcomes. The second section describes the job of the CWICs and illustrates their role in promoting employment among SSA beneficiaries. The third section summarizes some of the major accomplishments of the WIPA initiative. Finally, the fourth section recommends additional resources to maintain and enhance the program.

The Need for WIPA Services

The WIPA program is a large, SSA operated employment support program, which has provided assistance to over 300,000 SSA beneficiaries who are currently employed or interested in pursuing employment since its inception in 2000. The WIPA program is not focused on helping individuals remain on benefits, express complaints or concerns to SSA, or solve every beneficiary concern. It has a clear, concise mission—assist the over 1 million current beneficiaries who desire to work to obtain employment and pursue their careers, ultimately working their way off SSA cash payments.

The overwhelming need for the program is clearly documented in the results of the National Beneficiary Survey (NBS), conducted by Mathematica Policy Research under contract from SSA. The NBS is the most methodologically rigorous and precise estimate of the employment aspirations and activities of SSA beneficiaries currently available to policymakers. The most recent administration of the survey, in 2006, found that 44% of beneficiaries reported that their personal goals include get-

ting a job, getting a better job, or moving up in a job and/or that they see themselves working for pay sometime in the next 5 years.

The survey discovered that not only are SSA beneficiaries setting employment goals for themselves, they are also taking direct, concrete actions to achieve these goals. Many beneficiaries had engaged in employment, vocational training, or job-seeking activities over the past year. In real terms, the NBS found 2 million SSA beneficiaries who are working or actively seeking. These individuals should be the focus of SSA's employment and return to work efforts. In short, the NBS reaffirms what beneficiaries and advocates have repeatedly articulated to Congress over the recent past—that they desire lives of productivity over idleness, self-sufficiency over poverty, independence over dependence, and that they can achieve these goals if provided the right services and supports.

Estimating the Need for WIPA Services—The NBS results described above indicated that large numbers of beneficiaries are currently employed or pursuing employment. Even if the reported expectations tend to be overly optimistic, the findings imply that large numbers of beneficiaries (over 4 million) are interested in employment and they might benefit from employment services or policies designed to promote employment. Of those individuals, 52% had engaged in recent work activities (worked in previous year, working or actively seeking work at interview, participated in vocational training). Extrapolating these figures to individual States or localities, it can be conservatively estimated that **approximately 20% of all working age SSA beneficiaries could benefit from WIPA services, either immediately or in the near future.**

WIPA Participant Characteristics—WIPA projects serve a group of individuals who are seriously pursuing careers. Overwhelmingly, beneficiaries served are between the ages of 22 and 59. Youth were not significantly represented among WIPA participants, with less than 5% of beneficiaries reported to be under the age of 22. Males (49.8%) and females (50.2%) were equally represented among total participants. The program serves individuals with a broad variety of both physical and mental disabilities throughout its 5-year implementation. The most commonly indicated disabilities were mental and emotional disorders and system diseases, which jointly accounted for over half of WIPA participants.

Nearly 90% of all individuals who contact a WIPA project are either employed, actively seeking employment, or interested in obtaining employment in the near future. Less than 1% of individuals contacting WIPAs are in the process of terminating employment or reducing their work hours. The services and supports provided by WIPA programs to assist beneficiaries to achieve these goals will be illustrated later in this testimony.

The Role of CWICs in the WIPA Program

The foundation of the WIPA program is the national cadre of highly skilled and rigorously trained Community Work Incentive Coordinators (CWICs). CWICs complete a demanding preparation and certification program and participate in an intensive program of ongoing technical assistance and training. These dedicated professionals 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. CWICs are not peer counselors or trained volunteers. They are a group of highly trained professionals dealing with extremely technical information in a way that makes sense to beneficiaries and allows them to pursue their career goals.

All WIPA project personnel (CWICs) providing direct services to beneficiaries are required to successfully complete a highly challenging training and certification process. The CWIC Initial Certification process consists of four components. The amounts of time CWICs devote to these components are summarized in the table below.

Component 1—First, CWICs participate in a 32-hour Face-to-Face Training Class. The training class addresses each of the 20 training competencies found in the National Training Curriculum. Sixteen Initial Training classes have been conducted over the past 16 months.

Component 2—CWICs engage in extensive self-study activities to prepare for and complete the required CWIC certification assessments. Self-study activities include review of the National Training Curriculum, review of other resource documents, and study calls moderated by the NTC trainers. Data reported by CWICs completing the certification process revealed that on average they spent approximately 30 hours completing the self-study and activities.

Component 3—CWICs are required to complete six competency-based assessments that address each of the major training modules of the National Training Curriculum. Assessments are conducted entirely online using the Blackboard Learning

System and consist of objective test items, essay responses, and case studies. CWICs reported spending approximately 20 hours completing the six assessments. Approximately 30% of all initially certified CWICs receive additional support from NTC staff during the early stages of service delivery. Based on a recommendation from NTC or OESP staff, a CWIC may be required to submit a prescribed number of individual beneficiary reports to VCU technical experts prior to sharing the reports with beneficiaries. This ensures that the information provided by initially trained CWICs is complete and accurate.

Component 4—Finally, CWICs completing the certification process are enrolled in the NTC Supplemental Training and Technical Assistance Activities. The activities include face-to-face and online training, and individual, State, and regional technical assistance. The NTC estimates that CWICs receive approximately 60 hours of technical assistance in the first year post certification and participate in an additional 25 hours of supplemental training events.

Number of CWICs Certified—Between December 2007 and May 2009, a total of 572 individuals have been formerly certified as Community Work Incentive Coordinators (CWICs). Approximately 50 of these individuals are professionals working in SSA demonstration projects or other local partners. To date, 87% of individuals attempting to become certified as CWICs have successfully completed the process. At the present time, between 400 and 450 individuals are providing services across the 104 projects.

The Typical CWIC—The “typical” CWIC has a college degree, is employed by a public agency (VR, University, etc.) and has been employed as a CWIC for over 3 years. One-third of the time, he or she will be a person with a disability, including many individuals who have previously received SSA benefits and have worked their way off the SSA rolls.

The “typical” CWIC participates in 160 hours of training and technical assistance activities during his or her first year of employment. After the first year, the CWIC receives 85 hours of training and technical assistance each year.

The “typical” CWIC serves multiple counties or large sections of metropolitan areas. In some instances, such as North Dakota, a single CWIC may serve virtually an entire State. Typically, from 30,000–50,000 SSA beneficiaries will reside in an individual CWIC’s catchment area. Many of the beneficiaries in the catchment area are gravely ill or possess significant health related disabilities that preclude their ability to work at the present time. However, as discussed above, at least 40% of beneficiaries report that their personal goals include getting a job, advancing in their careers, or working for pay sometime in the next 5 years.

Based on these data, the “typical” CWIC will serve a catchment area that contains 12,000–20,000 beneficiaries who are currently employed or who will be seeking employment in the near or intermediate future. *Of those, approximately 5,000 had engaged in recent work activities (worked in previous year, currently working or actively seeking employment).* These beneficiaries are the target population for WIPA projects—beneficiaries who are employed or actively seeking employment whose ongoing employment, health care, and benefit status may be jeopardized without complete and accurate information on the effects of employment on their SSA benefits.

The “typical” CWIC maintains a wait list for services. Most CWICs are overwhelmed by the number of beneficiaries seeking their services. Wait periods are generally from 15 to 20 days, with many projects now reporting that wait time for services has reached 30 days from initial contact. These long waits are very unfortunate, since the best time to encourage a beneficiary to seek employment is immediately when he or she has indicated a desire to seek employment or when employment is imminent.

Illustrations of the Accomplishments of Individual WIPA Projects—All over the country, WIPA project staff members are providing services and supports to beneficiaries who are attempting to enter the workforce for the first time, reenter employment after a long period of disengagement, improve the financial situation of themselves and their families, pursue employment training or education that will lead to meaningful and rewarding employment and eliminate their dependence on SSA cash benefits. Examples of services provided by WIPA projects are provided below.

Center for Independent Living of Middle Tennessee

The Center for Independent Living of Middle Tennessee (CIL–MT) Work Incentives Planning and Assistance (WIPA) program serves 44 counties in western and central Tennessee. This area includes Nashville and Memphis—two of the most populous areas in the State. The project covers a WIPA service area that contains more than 150,000 WIPA eligible adults with disabilities receiving SSI and/or SSDI (nearly three-fourths of the State’s disability beneficiaries).

Five full-time CWICs provide WIPA services across the 44 counties. Three of the five CWICs have been with the project since the inception of the program 8 years ago. Based on data from the National Beneficiary Survey, the National BPAO database, and the perceptions of the project, there are an estimated 60,000 individuals in the counties served by the project who are interested in obtaining employment, including 25,000 who have engaged in employment or actively sought employment during the past 12 months.

The CIL-MT is a highly productive program staffed by outstanding CWICs. The project has provided intensive WIPA services to 1,224 beneficiaries since the inception of the WIPA contract in 2006. Two of literally hundreds of success stories documenting the delivery of quality services by the project are provided below.

In Shelby County, CWIC Hope Johnson worked with Shawn, a 39-year-old woman who is visually impaired who came to the WIPA program in 2007 after being referred by her VR Counselor. Shawn was a concurrent beneficiary. The CWIC assessed her situation and found that she was a good candidate for a PASS, a very powerful, although complex, SSA work incentive. Her goal was to be a massage therapist. She needed assistive technology and training before she was ready for school. She began Orientation and Mobility training, plus Braille and computer classes.

After completing her training at Clovernook Center for the Blind and Visually Impaired, her VR Counselor agreed to pay for tuition, books, some supplies, some assistive technology, and transportation for her to attend school. However, VR was not able to pay for the Braille Writer that she would need. In addition, there were many other school-related expenses, such as a school application fee, massage supplies, massage table, uniforms, required background check, licensure exam, and CPR certification.

Ms. Johnson helped Shawn write her PASS and gather all of the needed documentation regarding expenses and steps to reach her goal. The PASS was approved in February 2008 and Shawn received the funds necessary to start massage therapy classes the very same month. Shawn has now completed her classes, passed her licensure exam, and started working as a massage therapist in Memphis. She uses her own Braille Writer to keep up with appointments. Shawn utilized community resources, such as VR and Clovernook, to get her schooling and equipment. The PASS was a great SSA work incentive for Shawn to use in order to receive all of the items, supports and equipment she needed in order to be successfully employed.

In Tipton County, Ms. Johnson worked with Cindy, a 27-year-old, visually impaired woman from Millington, TN, who contacted the WIPA program in 2007 after receiving confusing information in the mail from Social Security. Her father had recently retired, making her eligible for Childhood Disability Benefits (a special type of SSDI benefit for adults disabled as children). The SSA letter stated that her SSI check would be stopping and SSDI would start. Ms. Johnson explained the ramifications of "switching" from one disability program to another. Since she was currently working full-time, she had many questions about the work rules under the SSDI program, Medicare, and TennCare coverage.

Cindy and her CWIC gathered earnings information and disability-related work expenses to report to SSA. They tracked her Trial Work Period and the CWIC assisted her with the SSA work review. Because Cindy had so many work and disability-related expenses, her SSDI check continued past the Trial Work Period even though her gross earnings exceeded the Blind SGA (earnings) level. That was only due to the CWIC's help in documenting Impairment-Related Work Expenses (IRWE). Otherwise, Cindy's SSDI check would have stopped. The CWIC has continued to assist Cindy with questions regarding her health insurance and properly reporting earnings information to SSA. She has received two raises in the past couple of years and has contacted the WIPA program as needed.

Easter Seals of North Texas

The WIPA program of Easter Seals North Texas serves individuals receiving Social Security Disability and/or Supplemental Security Income benefits in 19 counties in the North Texas area. Each beneficiary we meet receives an individualized Benefits Summary which summarizes the work incentives discussed and an action list. This action list acts as a catalyst for taking those needed steps to enter employment. It is the goal of the WIPA project to not only educate beneficiaries but to guide them to take the steps necessary to obtain and maintain employment.

Over the past 3 years, the project's 5 CWICs have provided intensive, long-term work incentives support to 1,302 beneficiaries. Of these 1,302 consumers, 184 are employed, with 52 working at or above the current SGA level of \$980 a month. Sustaining this level of income will mean that approximately 3.5% of the individuals provided more intensive WIPA services will eventually become self-sufficient. This

success rate is more than 3 times the national benchmark rate of 1% of all SSA disability beneficiaries.

The project employs four full-time CWICs, with one serving as both a CWIC and the Project Director, and one part-time CWIC. The project serves a 19 county area in North Texas, some parts of which are rural. Out of the five staff members, three of them have significant disabilities. Two of them were once on the Social Security benefit rolls but have now worked to the point where they are not. One staff member was a client under the BPAO program and now is employed as a full-time CWIC covering three counties. The Project Director, Ms. Cindy Herzog stated recently,

Over the history of both BPAO and WIPA, we have been able to see thousands of beneficiaries and many have entered into employment. We have seen clients who have never worked before, enter into employment for the first time, breaking that cycle of dependence on benefits. The program as a whole has been a great success and we look forward to increasing the numbers of beneficiaries who leave the rolls completely, one case at a time. This is a challenging but fulfilling line of work. We have the opportunity and privilege to present and create positive change for individuals living with disabilities.

The Need for Expanded WIPA Services

The WIPA projects provide encouragement and direct assistance to SSA beneficiaries seeking to obtain employment for the first time or improve their employment situation. The SSA rules and regulations regarding beneficiaries are complex and often overwhelming for beneficiaries. WIPA projects can directly support beneficiaries who otherwise may be unnecessarily apprehensive of pursuing their career goals due to fears that employment may lead to a loss of health care and other benefits. Every day CWICs are assisting beneficiaries to take the first step toward employment.

Unfortunately, the national WIPA initiative lacks sufficient capacity to adequately meet current and future demand. The number of beneficiaries requesting services has continually overwhelmed a large number of local programs. The problem is particularly acute for WIPA programs in rural areas where extensive travel requirements reduce potential service time.

The WIPA capacity problem is exacerbated by the fact the program has been flat-funded since its inception in 2000, without any inflation increase over the past 7 years. In addition, when SSA wisely increased the minimum amount of funding for WIPA projects from \$50,000 to \$100,000 in 2005, the funding level of a number of WIPA projects, particularly in SSA Region IV, actually declined.

WIPA projects struggle to find the resources to provide long-term followup services to beneficiaries. In most projects, CWICs are doing an outstanding job of providing initial advisement services to beneficiaries. However, the demands on their time make it difficult for them to provide proactive followup services to beneficiaries weeks or months after their initial contact with the beneficiary. Lack of ongoing followup services reduces the ability of CWICs to assist beneficiaries to access and benefit from needed employment services, decrease the number of individuals experiencing an overpayment, and assist the beneficiaries in career advancement activities.

Youth are currently not significantly represented in the population served by the program. Less than 6 percent of beneficiaries receiving services from the prior BPAO program were under the age of 22. 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.

The WIPA projects assist many other entities to provide employment services and supports. Across the country, WIPAs are coordinating their efforts with Workforce Development Centers, Vocational Rehabilitation agencies, mental health centers, community rehabilitation programs, secondary schools and institutions of higher education, veterans service centers and employment service organizations. These partnerships, which have expanded dramatically over the past several years, enable the WIPA projects to more effectively assist beneficiaries to pursue their employment goals.

Many State Vocational Rehabilitation agencies refer most if not all SSA beneficiaries applying for services to WIPA projects prior to initiating services. The WIPA program has contributed significantly to the ability of vocational rehabilitation to better meet the needs of beneficiaries. Similarly, many Employment Networks and mental health centers request the services of WIPAs prior to delivering

services. The WIPA program is critical to efforts to promote employment outcomes and economic self-sufficiency among beneficiaries.

An example of the assistance provided to other employment programs is the SSA/Vocational Rehabilitation reimbursement program, in which SSA reimburses individual State Vocational Rehabilitation agencies for serving SSA beneficiaries who meet specific employment goals, returned over \$124 million to State VR agencies in FY 08. When serving SSA beneficiaries, many VR agencies require the beneficiary to seek the services of a WIPA prior to initiating employment services. As a result, WIPA projects play a critical role in the successful employment outcomes of literally thousands of these beneficiaries, even though the WIPA projects receive absolutely none of the reimbursement funds generated in part by their services.

The WIPA program is vital to SSA's efforts to reduce and eliminate the chronic problem of overpayments. The vast number of overpayments currently facing beneficiaries in every State creates a second "disability backlog" for them and SSA. The overpayment backlog has many causes and very few solutions. Among the causes are the unnecessarily complex SSA rules that don't even measure earnings across the SSI and SSDI programs in a consistent way and a lack of automation in wage reporting systems makes it very difficult for beneficiaries to comply with wage reporting rules. Even SSA's attempts at further automating the system have significant limitations. For example, the recently initiated telephone reporting system has significant potential, but currently cannot be used by beneficiaries who are taking advantage of the work incentive provisions that SSA has encouraged them to use.

At the core of the problem is the lack of resources currently devoted to addressing this issue. Responsibility for processes that could eliminate or ameliorate the overpayment problem is currently spread across teleservice centers, program service centers, and field offices. WIPA projects can work with beneficiaries to accurately report their earnings and minimize the impact of overpayments on their personal and family finances. This is a function that cannot be performed by SSA field offices but is vital to any realistic SSA employment initiative.

Today literally hundreds of SSA beneficiaries are in overpayment status. Frustratingly, SSA continues to devote extensive resources to an intractable administrative problem that continually gets worse and worse. The fear and reality of overpayments actually causes many beneficiaries to reduce and curtail their employment efforts. Many others experience extreme financial hardship as they and their families are forced to repay monies they erroneously received, even though they complied with every reporting deadline in a timely and accurate manner. Continuing and expanding the WIPA program will greatly assist in a reduction of the overpayment backlog and lessen the impact of overpayments in beneficiaries and their families.

Over time, the WIPA program can literally "pay for itself." The WIPA program should be judged on two outcomes. The first is increased beneficiary use of specific SSA work incentives. The second is increased employment participation and reduced receipt of disability benefits by program participants. When a CWIC works with a beneficiary to overcome their fears of employment and increased earnings on their benefits, he or she is not only contributing to the employment success of the beneficiary, but also the employment service program (VR, DOL, EN, etc.) that assists the beneficiary. When a State VR agency or EN requires some or all referrals to receive WIPA services prior to initiating a support plan, and then receives SSA reimbursement for specific beneficiary employment outcomes, the "credit" for these outcomes should fall not only to the employment agency, but also to the WIPA program. Over time, the implementation of a more sophisticated program to evaluate the outcomes of WIPA activities can clearly document the cost-effectiveness of the program.

An example from the State of Kentucky illustrates the extent to which WIPA projects are working to create significant savings for Congress and SSA. In Louisville, the Center for Accessible Living, Inc. provides services to 70 counties, including Jefferson and Fayette—the two most populous counties in the State of Kentucky. Four CWICs serve this large project area that includes 175,000 WIPA eligible SSA beneficiaries, an average of 42,000 per individual CWIC.

The lone CWIC serving Jefferson County (Louisville) responded over 600 referrals for WIPA services over the past 2 years. Referrals could be much higher and additional resources are needed to address current demand. However, with only one staff member serving a county with over 35,000 beneficiaries, very little outreach activity actually occurs. Over the past 2 years, this single CWIC has assisted 14 beneficiaries to work their way off SSA cash benefits, saving Social Security over \$130,000 per year. These savings will increase exponentially over time as additional beneficiaries no longer receive cash benefits.

The Need for Additional WIPA Resources

The current WIPA program has been highly successful. It has increased the employment participation and self-sufficiency of hundreds of thousands of individuals and has assisted other employment service agencies to more effectively meet the needs of beneficiaries. However, the program simply doesn't have the resources necessary to respond to the current and future demand for services. With additional resources, the program can serve a larger number of beneficiaries, reduce the number of beneficiaries negatively impacted by the overpayment backlog, and continue to generate additional program savings.

The WIPA project is currently staffed by approximately 450 CWICs nationwide. The number of CWIC positions should be significantly expanded. Based on all currently available data and the results of a current program capacity workgroup, it is recommended that funding be provided to support an additional 1,600–1,800 CWICs. This increase could be easily absorbed into the existing service delivery network and would have the following benefits.

- Additional WIPA resources would allow the program to expand the number of beneficiaries supported in their employment efforts and reduce the current wait time for services (1,000 CWICs).
- Additional WIPA resources would allow programs to provide more intensive long-term services to beneficiaries, improving employment retention and reducing beneficiary dependence on SSA cash benefits (200 CWICs).
- Additional WIPA resources would allow the program to conduct more directed outreach efforts to currently underserved populations, such as transition-age youth and veterans (200–400 CWICs).

Chairman TANNER. Well, let me thank the panel for a most informative—and I might say thorough—examination of the topics under discussion today. I have one question I want to follow up with Ms. Webb on, and some other—we have other questions, as well.

But by the way, I noticed that you are going to get your law degree here shortly.

Ms. WEBB. Yes, 3 weeks.

Chairman TANNER. When my great-grandmother—who lived to be 101—was 100 years of age, I went to see her on her birthday. And she said, “Son, what are you doing now?” And I said, “Well, Grandmother, I am in law school.” And she went, “That is a mighty poor calling.”

[Laughter.]

Chairman TANNER. I think that we both will share that law degree, and it is all right. I want to congratulate you on that.

Getting back to the subject at hand, could you tell us a little more, or expand on the problem that you are having with collecting pay stubs, and how that is negatively impacting the situation?

Ms. WEBB. It creates a real problem. First of all, when we provide services to a beneficiary, and they go back to work, they really are achieving independence, and they don't want to hear from us anymore. Even in my EN, we pay them a stipend to give us the pay stubs, and at some point they want to feel like adults and just be left alone.

And, in the beginning, when they are obligated—when they are still on benefits and they are using their trial work period, for example, they are still obligated to report their earnings to SSA. There is no problem there. But once they leave the benefit rolls because they are working, we need to leave them alone. And for an EN to be calling them every month just to get paid—because we need those pay stubs, is irritating to them. In some cases, it can

lead to identifying a disability to an employer when, in fact, the employer didn't know there was a disability.

And for us to have to chase down those pay stubs, we sometimes will wait months and months beyond the time that we were really eligible for the payment in order to get paid. That is particularly demoralizing for a new EN who is trying to get their cash flow going, and it's taking them 6 months or longer to get paid, when they know somebody is working.

As I mentioned in my testimony, the Agency has done a great deal to try and put some other things in place, like using the unemployment insurance data from the States. That still means we're 5 to 8 months behind in getting the data.

We have talked about the IRS being able to report earnings data to Social Security more than annually. The fact is, employers don't report earnings on an individual employee basis, except on an annual basis to the IRS. So that doesn't bode well as a solution.

The solution really is that when someone leaves the cash rolls, then we can assume that they're working. There are some conditions under which they might not be: They might be in prison, and they might be dead. But I would think that if Social Security stopped paying them benefits because of either of those conditions, then they would know that. And the opposite is not true. When the person is working, they don't know that.

The other benefit of this is once a person is off of benefits and we are still in touch with them, we can get that data, in some cases. But in our experience, in our agency, it's about 50 percent of the time. That creates a terrible cash flow problem for ENs, especially the smaller ones.

Does that answer your question, Mr. Chairman?

Chairman TANNER. Yes. We want to try to see what we can do on that. Ms. Suter, do you have a reaction to this?

Ms. SUTER. Yes. I agree with Susan's points. We have done a number of things to simplify collecting data. Last fall, we started an auto-pay, where an EN has to just give us the name of the person, and then we look at the earnings records, in order to pay the EN. So the only information the EN has to provide is the name of the person. But, as Susan said, we have to wait until we get those records to verify that.

With some ENs, we look at paying when the EN certifies that that person is working, and signs a document saying that, and then, if the person is not working, we reconcile that at the end of the year. So we have tried to make it as easy and responsive to ENs as possible, and we are happy to continue to look at ways to simplify it.

Chairman TANNER. I will stop here. Mr. Johnson, you are recognized.

Mr. JOHNSON. Thank you, Mr. Chairman. Thank you all for your testimony. Ms. Suter, before we get to the topic of the hearing, numerous press accounts last week talked about dead people receiving economic recovery checks. Can you explain to me how 8,000 of those checks were mailed, and how you are recovering them?

Ms. SUTER. We have made mistakes in those cases, and that is hard to explain. That is not in my jurisdiction in the Agency. But we have made mistakes. We are looking at that. We obviously do

not want to do that. And I would be happy to look at that and provide you more information—

Mr. JOHNSON. I would appreciate if you would provide the Committee with that information.

Ms. SUTER. I would—

Mr. JOHNSON. And while I am at it—

Ms. SUTER. I would be happy to.

Mr. JOHNSON [continuing]. Mr. Chairman, can we have both of Dr. Growick's papers inserted into the record?

Chairman TANNER. Without objection.

[The information follows:]

Mr. JOHNSON. Would you do that for us?

Mr. GROWICK. Absolutely, sir.

Mr. JOHNSON. Thank you, sir. Ms. Suter, since the program has begun, how many Ticket users have had benefits suspended and/or left the rolls due to work and earnings? Do you know that?

Ms. SUTER. We have had about 2,700 individuals who have left the rolls due to work and earnings. Six hundred of those have left the rolls since last July under the new Ticket regs.

Mr. JOHNSON. Yes, that is amazing to me, that it took from 1999 to 2009 before we finally got the program revised, and now we're still having trouble with it.

Since the beginning of the Ticket program, how much in total benefit savings has occurred due to earnings by Ticket users? Do you know?

Ms. SUTER. We don't have the figures for the total savings, but I would be happy to get that for you.

It is about 3,700 years of benefits that we have not paid beneficiaries.

Mr. JOHNSON. Okay. And since the beginning, how much has been spent to administer the program? Are we saving more than we are spending, or not?

Ms. SUTER. Well, there are a couple of different figures on that. Our actuaries say, for the SSI program, that will pay for itself in 10 years in the Ticket program, because of the 1-for-2 in the SSI program. In the SSDI program, because there are different work incentives, about 600 people have to leave the rolls annually in order for the Ticket program to pay for itself over the next 10 years.

Mr. JOHNSON. So how many are leaving right now?

Ms. SUTER. Pardon?

Mr. JOHNSON. How many are leaving right now?

Ms. SUTER. Well, we have the 2,700, but we have 304,000 tickets that have been assigned. So we think that's a reasonable number. We have had an increase in work activity, people starting to work, and have work and earnings since the new regs came out about an 83-percent increase, and that just since last July.

We have had a 167-percent increase in people using their tickets since the new regs have come out. We have had ENs sign up about seven times as much since the new regs. So we think the trends are looking good, and we think that's doable, to be able to get 600 individuals on SSDI off the rolls in a year.

Mr. JOHNSON. Okay. Thank you, Mr. Chairman. No further questions.

Mr. POMEROY. Thank you, Mr. Chairman. I am really disappointed that a conflict kept me from most of the original statements of the panel, so I am not going to try to take you over the same ground you have already covered.

But I would be interested in trying to get a sense from some of our experts as to what they think the core problems are, and whether progress is being made. So, Dr. Growick and Dr. Kregel, I would ask you, kind of representing maybe slightly different perspectives, a couple of questions. And no offense to the rest of the panel, but we will try and cut to the chase this way.

Do you think that the 2008 reforms, in terms of how this program is being run, are going to be helpful?

Mr. KREGEL. I will respond first. I think, in terms of evaluating the Ticket program itself, we ought to think of everything prior to the 2008 regulatory revisions as pilot, or what was done previously, or what didn't work. And the program really needs to be measured on the effect of the regs, and the activities of the Agency, and the activities of beneficiaries since July of 2008.

If we look at that, then everything about paying for itself, everything in terms of administration of the program versus the savings of the program, can be much more accurately evaluated, and it will be evaluated much more positively.

Mr. POMEROY. Okay. Without having data reflecting an evaluation, what is your gut sense in terms of what—is it a new day? Is this thing likely to achieve some of the results we had hoped for earlier?

Mr. KREGEL. I have looked at the WIPA programs, for example, that are serving beneficiaries in each of the congressional districts represented on the Committee. What we are seeing right now in each district is five people moving off of benefits in the last 6 months, three people moving off of benefits since the first of the year. These are small numbers, but it doesn't take very much to get to the number of 6,000 per year, or 600 per year that Ms. Suter talked about, in terms of the overall cost efficiency of the program.

This is a program that will pay for itself over time, both in terms of the Ticket program as well as, very significantly, the WIPA program. If you look at, for example—

Mr. POMEROY. I mean 600 per year in the Social Security program, to me, is not even a token anything.

Mr. KREGEL. Because this is a very small program, in terms of an administrative perspective, we're talking about a program that costs \$100 million in the overall programs that are represented here today to address \$150 billion that are spent every year to provide benefits to these individuals and the corresponding health insurance. So what we are doing is, we are—

Mr. POMEROY. But you are not suggesting 600 is an acceptable national goal.

Mr. KREGEL. I am suggesting that that is a benchmark which we can blast through in the very near future.

Mr. POMEROY. Dr. Growick.

Mr. GROWICK. Yes, thank you. In all deference to my colleague, I would have to disagree. Unfortunately—and I was involved with the Ticket since its genesis, since its beginning, and I would have

to say it's the greatest professional disappointment that I have had in my entire career.

I am not sure what the solutions are. I think that the Ticket has been overwhelmingly disappointing because of the numbers. Six hundred is, as you say, minuscule, tiny in comparison to—we're talking 11 million.

The basic premise of the Ticket—if you go back to the political implications article that I have just entered into testimony, I think you will see that the basic premise of the Ticket was to use private rehab providers, much like the insurance companies. The question is, is Social Security Administration an insurance company run by the Federal Government, or is it a Federal bureaucracy that is not doing anything to help itself?

And, unfortunately, it has been the latter, which has been a tremendous disappointment. And, you know, and I don't mean—

Mr. POMEROY. I would say, you know, first of all, I pretty much accept what you just said. But I do think Congress has to own—Congress and the Administration, prior Administration, especially—have to own a lot of the responsibility for not funding up the resources required to make—I mean this is a labor-intensive business, it's going to require some staffing and an Administration commitment that simply has not been there. So that's part of the problem.

Mr. GROWICK. Well, part of the problem is money and appropriations, yes, sir. But I think part of the problem is the philosophical approach to who should be the primary provider for services for individuals under Social Security, whether it should be public entities, like the State-Federal system, which still has 88 to 90 percent of the tickets. The initial intent was to move away from that, and to have more of a balance between the private sector and the public sector, and that certainly hasn't occurred.

So I think, until you get to the foundation of what the problem is, I don't think you're going to solve the problem. I think all of this, including the new regulations—and, again, I hope that my colleague is correct, I hope we have turned a corner, but I fear not.

Mr. KREGEL. But since July of 2008, the percentage of folks served by the public vocational rehabilitation agencies and the private ENs, that percentage has flip-flopped. And recent ticket assignments are, overwhelmingly—the vast majority are going to private entities, as opposed to the State vocational and rehabilitation—

Mr. POMEROY. I don't care who does it, public or private. But I know that we have, in the hearts of many of the people on disability rolls, the same kind of guts and courage and determination that our lead panel demonstrated with their tremendous stories. And they are not getting the kind of assistance they need. And when we set the bar so low as 600, I mean, I don't even think we're taking a meaningful shot at this.

And so, I must say I am hopeful we may—there may be some improvement with 2008, but I am quite disappointed. I mean, count me in the ranks of—Dr. Growick, I am with you. We should have had more success than this. And, by God, we have to figure out what is causing us to not achieve greater numbers of successful graduates in this program.

I know that my time is up. Mr. Chairman, thank you for this important hearing. Ms. Suter might want to make a response. I see that she—and I won't ask any further questions. Thank you.

Ms. SUTER. The 600 figure is just to break even. We think, as I said, we have about 304,000 tickets assigned. We think in the next 2 years we can at least double that number. That is one thing.

The other thing is the Ticket program, we know, is for a small number of people. We have very high standards to meet—as Congress set—to meet the definition for disability in Social Security. So we know, if we're doing our job, there are not a lot of people that are going to be able to go back to work. So it is a small piece.

The other thing, only 14 percent of our ENs right now are public entities. So we want very much to expand the universe, and that's why we have the Partnership Plus program. So we want to expand, and we want to give beneficiaries as much choice as possible.

And, under the old regs, that was very true. The majority of our tickets—by far, 90 percent—went to State VR agencies. As Dr. Kregel said, since the new regs have come out, 81 percent of our tickets are going to employment networks, and only 19 percent are going to State VR agencies. So we have flipped that, to offer more choice for our beneficiaries.

Chairman TANNER. Before—do any of you all have any comment, before we close the public part that has been sparked by this latest round? Mr. Golden.

Mr. GOLDEN. I appreciate your frustration with the program. I don't think you can look at the Ticket to Work in isolation of the broader disability standard that has been the foundation of the Social Security Administration. I don't think that you can just say that the reason people aren't going to work is because the Ticket to Work program isn't working. I think you are forgetting that for 1, 2, 3 years, people have to prove that they can't work to get on to those rolls.

And so, we have a system that is busted. All Congress did was layer on top of a very archaic definition of disability a return-to-work program and prayed that it was going to work without really addressing the issue that is at hand, and that is that we have to tackle that disability standard.

The fact that it takes 700 pages in a training manual to train WIPA about the different work incentive provisions that have been created by Congress tells me there is a fatal flaw there. It shouldn't be hard to go back to work. It shouldn't be hard to learn how to go back to work. So I would encourage you to look at some of those programs that we have just stacked on top of one another. The data shows us that they are not working. And is there a way for us to take that demonstration authority that has expired, and to really push the limits?

I challenge you to think bigger than Ticket to Work, and think about—I believe, with Dr. Kregel, that that program can work. I think it's got great potential. But I think, without changing some of the basic premises that it's built on, we are not going to begin to see those numbers going back.

And in my testimony I reference looking at a demonstration that streamlines the work incentives that are currently on the books, so that maybe you have one work incentive versus a laundry list of

them that takes 700 pages to train people how to use them, and that you think about a new way of defining disability, that you think about a short-term program that is an option for beneficiaries with disabilities that want to go back to work.

They don't want to spend 3 years of their life proving to Social Security that they are so disabled they need to get that benefit. They need health insurance, they need quick cash benefit, and they need access to a program like Ticket to Work and WIPA, to help get them on that path to work. That's short-term.

But currently, the system is long-term. And it seems like there is competing demands there that we need to reconcile if we're going to really, truly help the Ticket to Work program recognize its full potential. Thank you.

Mr. KREGEL. One other thing, sir, that I would really like to add relates to the demonstration authority. The demonstration authority is badly needed, but the Congress has been ill served by recent efforts to implement SSA's demonstration authority.

There is a recent report out about four of the major demonstration programs, \$200 million. And if you read that report, it keeps saying, "Results will be available to Congress in 2014," or the two-for-one offset demonstration, "Results will be available to Congress in 2017." What is the Social Security landscape going to look at at that time?

There are lots of things that people have raised today that could be addressed through 2-year, 3-year demonstration programs, to give you actual empirical information that you can use to drive some of these major policy changes that are being contemplated. And I think that looking at ways to get information much sooner and more policy-relevant out of the demonstration authority would help you all a great deal. Thank you very much, sir.

Ms. BATES-HARRIS. One of the things that I didn't get to in my testimony that I think is really important to say here is that when we're talking about Social Security beneficiaries, we're talking about people with serious health and medical conditions. And I think that we have to remember that health care is critical.

And a number of reports have indicated—a recent report I read by Mathematica said that 40 percent of the people who were surveyed in the beneficiary study indicated that they are not going back to work because of their health conditions.

And so, I think it's really important that the Committee work in conjunction with the Commerce Committee to ensure that things like the existing—or the Medicaid infrastructure grants, the Medicaid buy-in for workers with disabilities, to maintain independence and the Medicaid buy-in be continued. Because, without access to health care, people with disabilities are not going to physically be able to return to work.

Chairman TANNER. Yes. Mr. Johnson is saying would you accept questions we might have, written questions that we can then place in the record?

This hearing has been enormously helpful. I want to thank all of you.

I may have one other question. Ms. Suter, about the program integrity, and the CDRs, do you have a program in place to address the backlog there?

Ms. SUTER. Mr. Chairman—I think Thomas Golden said it very well—we are very concerned about the overpayments. It is demoralizing to our beneficiaries who want to at least try work. We have several programs in place to manage that workload. We appreciate the leadership you have shown in giving us more resources for the workload.

As you know, and you have heard today, one of the dilemmas we have, and challenges, is just the competing workloads, paying people, getting people on benefits in a timely responsive manner, just the competing priorities. We have instituted a program called eWork, where we get receipts and show working and work activities. That helps with the CDR process and managing the workload.

We have another program for SSI that looks at monthly wage reporting. We have telephone wage reporting. We have our WIPAs and our PABSS, who help out with overpayments. So we can do things to manage the workload.

However—and Thomas said it very well—whether we are talking about return-to-work or CDRs or whatever, our program is so complex for our beneficiaries and their families, that we have to provide almost individual case management to individuals, just to navigate our programs. And we need to be responsive, and that's a timely process.

So, as Mr. Golden said, we can manage the workloads, but until we simplify the program and make the SSI work incentives closer to the DI work incentives, we are going to run into being unresponsive and not providing timely service to our beneficiaries. And it's very confusing for them, and very fearful.

So, to get back, we have instituted new ways to manage that workload. The Commissioner has been working with advocacy groups on simplifying the work incentives. And, within the Agency, we are going full tilt on that, and we will continue to do that. The Commissioner recognizes we need to simplify and cut out these layers of the program that Thomas talked about.

Chairman TANNER. Well, thank you all. This is—as I said, this has been an extremely thoughtful presentation on your part, and has given us a charge to get to work, which we fully intend to do. And we may be back in touch with you.

So, thanks once again, for all you are doing and will continue to do to help make this program a success. Thank you very much. We stand adjourned.

[Whereupon, at 4:10 p.m., the Subcommittee was adjourned.]

[Submissions for the Record follow:]

**Statement of the American Network of Community Options and Resources
(ANCOR)**

The American Network of Community Options and Resources (ANCOR) appreciates this opportunity to provide comments and recommendations for the record to the House Ways and Means Subcommittee on Social Security on Social Security's employment support programs for beneficiaries with a disability. ANCOR is the national organization representing over 800 private providers of community living and employment supports and services to over 500,000 individuals with disabilities.

The focus of ANCOR's testimony is on the Ticket to Work and Work Incentives Improvement Act (TWWIIA) as signed into law as P.L. 106-170 and effective January 28, 2002. ANCOR strongly supported the passage of TWWIIA because of the program's possibility to remove work disincentives that prevent individuals with disabilities from working. ANCOR believed that the new Ticket program would strengthen individual choice and help individuals with disabilities work by allowing

them to access a larger universe of private vocational and employment services providers rather than relying solely on the State vocational rehabilitation agency and access to benefit planning services.

Despite the program's initial potential, the original regulations were insufficient to support the intent of the legislation. In September of 2005 and August 2007, the Social Security Administration (SSA) issued Notices of Proposed Rule Making (NPRM), which proposed changes to the original regulations, and became effective in July 2008. These regulations aimed to improve the payment systems for Employment Networks (EN) and provided greater financial incentives and flexibility for ENs. ENs now earn milestone payments earlier in the employment process and are reimbursed at a higher rate based on beneficiary attainment of specific earnings targets.

Many ANCOR members who initially signed up to be ENs were forced to withdraw because they could not afford to sustain providing services. The expenses associated with providing services as EN outpaced revenues. Under those regulations, an EN outcome payment was worth only 40 percent of an average SSDI or SSI benefit. An EN that opted to receive payments under the Milestone System was limited to four milestone payments. Furthermore, an EN would receive these milestone payments only when a beneficiary it served engaged in substantial gainful activity (SGA). For many individuals with significant disabilities, reaching SGA is often difficult because of challenges due to their disability. The regulations set the bar for ENs receiving payments too low and the bar for receiving payments too high.

Because of limited EN participation, the early vision of beneficiary choice could not be realized. To address the issues imparted by the initial regulations created a more attractive EN payment structure. The 2008 regulations increased the value of outcome payments (they are now worth 67 percent of an average SSDI or SSI benefit) and increased the value of milestone payments (increasing the total payout under the Milestone System relative to the Outcome System). The new Ticket regulations increased the number of milestone payments an EN can receive from 4 for serving any Ticket beneficiary to 15 for SSDI beneficiaries and 22 for SSI beneficiaries. The regulations also allow an EN to receive the first four milestone payments when a beneficiary it serves earns \$700 in a month, which is below the SGA level.

In addition, many beneficiaries may need to ease their way back into the workforce via part-time work. However, since the previous EN payment structure based payments on attainment of SGA, ENs were reluctant to accept Tickets from beneficiaries seeking part-time employment. The current EN payment threshold removes previous disincentives to serve these beneficiaries.

However, it remains extremely difficult to achieve SGA for severely disabled consumers working part-time. As an EN it takes the same amount of resources to support a consumer working part-time as it does someone working full-time. It is significant to note that 20 to 30 hours per week is the maximum that many severely disabled consumers can work. One ANCOR member (an EN) has one beneficiary who has been working part-time for more than 6 months; in all likelihood she will not be able to reach SGA.

SSA also increased available services by permitting State VR agencies to work collaboratively with ENs in an arrangement known as Partnership Plus. This "team" approach allows State VR agencies to provide training and job placement services and then refer beneficiaries to ENs, who can offer job retention supports. This initiative increases the likelihood that beneficiaries will keep working and leave the rolls. In addition, the new regulations abbreviated the process for the One-Stop Career Centers to become ENs.

SSA reports that prior to publishing the new Ticket program regulations, it identified three key indicators to assess the degree to which the new regulations addressed many concerns. The new regulations were measured by: (1) the number of new EN contracts, (2) the number of beneficiaries accessing EN services, and (3) the number of beneficiaries entering the workforce. SSA reports that compared to the 11 months preceding the new Ticket rule's publication, the number of new EN contracts has increased from 5 to 34 per month. At the end of April, there were over 1,300 ENs. Furthermore, the number of beneficiaries assigning their Tickets has increased from 332 per month to 867, and the number of job starts has increased by 83 percent.

SSA also committed to recruiting more ENs. Through their marketing contractor, Cherry Engineering Support Services, Inc. (CESSI), SSA is contacting ENs that have gone 6 months without taking a Ticket to determine whether they can resolve any problems. CESSI also holds State and regional "Ticket Express" conferences to recruit new ENs and share best practices and has made a lot of educational materials available online and through conference calls. In addition, SSA made a point

to attend and present at conferences, such as ANCORs, in order to reach out and educate potential ENs.

Social Security beneficiaries were also extended outreach activity. For example, they created the Work Incentive Seminar (WISE) event to encourage beneficiaries to attempt to work. WISE events educate beneficiaries and their families about work incentives. Employers, ENs, State VR agencies, Protection and Advocacy agencies, and other employment support providers attending these events share information with beneficiaries about available services and employment opportunities in their communities.

Benefit Offset Demonstration

Long before TWWIIA, SSA was required to initiate a national demonstration to test alternate methods of treating work activity in the Social Security Disability Insurance (SSDI) program through a benefit offset project. The purpose of the Benefit Offset demonstration was to determine the effect of employment outcomes including wages, benefits, hours worked, and job retention when a financial offset in benefit payment is applied reducing Title II disability benefit payments by only 1 dollar for each 2 dollars earned. This work incentive already exists in the SSI program and enables a beneficiary to successfully and gradually work their way off benefits and move toward self-sufficiency by decreasing benefit payments as earnings increase. This encourages work but does not penalize the individual or force them to give up a full benefit amount when they are working their way back to full employment.

Despite years of planning and design, the Benefit Offset *National Demonstration* (BOND) is not scheduled for implementation until FY 2010. Prior to this national implementation, SSA conducted a four-State pilot demonstration, which began in August 2005. The results have not been shared publicly. This long overdue project will allow beneficiaries to face a gradual reduction in their benefits eliminating the abrupt loss of cash benefits in the Title II disability programs when the beneficiary works and has earnings over the Substantial Gainful Activity (SGA) level which is currently \$940.00 a month. If properly conducted and implemented, the strategies developed for this project could serve as a powerful incentive and should considerably reduce barriers to work for SSDI beneficiaries by allowing them to maintain or increase their employment, earnings and financial independence. ANCOR believes it is imperative that this project not languish any longer but instead move forward with full deliberation and intent. In addition SSA should be required to report the results of their findings to the public in a timely manner.

Overpayments

As you know, the SSI and SSDI programs include numerous work incentives which allow beneficiaries to work and test their ability to become self-sufficient. The success of these work incentives, as well as that of the Ticket to Work program, rests heavily on the ability of SSA to record and track wages and make prompt adjustments to benefit levels when working beneficiaries report earnings, thereby reducing overpayments. According to an SSA Office of Inspector General report dated April 2006, income or earnings from work activity was the most significant reason for overpayments. These overpayments were said to be much larger and spanned longer periods of time than the overpayments identified by SSA's normal processes of Continuing Disability Reviews (CDRs) and data matches to detect deaths, prisoners, fugitives, and other issues that impact eligibility.

Overpayments have been a huge concern for many years and are recognized as a tremendous disincentive for beneficiaries to try work. Many beneficiaries do the right thing: They report their work in person or to the 800 number and are told that SSA will let them know if anything is a problem. At best SSA takes a month or two to process the report, which causes overpayments that the beneficiary is obligated to repay. However, SSA very often fails to process the earnings reports and adjust the payments for months or even years. Beneficiaries reasonably assume that SSA is paying them the correct amount. When SSA finally gets around to processing the earnings reports, the beneficiary is hit with a demand to repay overpayments that often amount to thousands of dollars. This can be devastating for someone whose sole or primary source of income is their benefit payment (currently a maximum of \$674 per month for SSI beneficiaries).

ANCOR and the disability community continue to struggle with the inability of SSA to record and appropriately adjust benefits in a timely manner. SSA does not require earned income reports to be made in any specific way; they can be made in writing, by calling the 800 number, or by stopping in to report at an SSA field office. There is no particular form to complete or file, and until the Social Security Protection Act of 2004 was implemented, there was no official record for the beneficiary to use that proved the report was made. In addition, there appears to be no

effective internal system for recording the income which beneficiaries report. And despite the development of internal electronic tools such as eWorks, this program is not used consistently across the country. In addition SSA does not seem to realize that people do not understand the terms of art used by the Agency when making SGA determinations and staff are not always clear in their explanations or do not have the time necessary to explain them well enough. Therefore important wage deductions such as Impairment Related Work Expenses (IRWEs) Blind Work Expenses, Subsidies and Special Conditions do not get reported or considered.

In terms of overpayment issues, field office staff seem to have a single rule: "You worked; you are at fault for the overpayment." The staff is very reluctant to apply the other work incentive rules, like IRWEs or special conditions after wage reporting has occurred, and rarely are these questions asked during the submission of this type of wage information.

One ANCOR member has several consumers who have tried to work in the past and have been penalized for overpayment. In one case in particular a consumer contacted SSA and informed them of her employment and income, a year later she was contacted by SSA for overpayment of benefits. This had a traumatic effect on her and evoked a fear of benefit loss in regards to employment. In this case WIPA (see below) was used to discuss her benefits in relationship to employment.

SSA clearly needs to improve its processing of work and earning reports. Most individuals who receive these benefits are overwhelmingly low-income and do not have the income cushions to deal with unreliable application of the work rules. Some at SSA seem to have a cavalier attitude about overpayments (considering them low interest loans), not understanding the financial and emotional effect of a large overpayment on someone who is low-income and who thought s/he was doing a good thing by going to work.

Many claimants do not understand the differences between SSI or Title II disability benefits and many do not know which is which even though they may get both. These concurrent beneficiaries will not know to report work activity separately to the Claims Representatives assigned to each of the benefit programs. As a result, concurrent beneficiaries are doubly impacted with overpayments over time. The SSI file and Title II disability file are separately maintained and information within the office is not communicated across programs. SSA staff who are assigned to only one benefit program (SSI or Title II disability) should understand that claimants will not know to separately report work and they should make sure that the work report gets to all the right places, including the payment processing center, and that it is acted on in a timely fashion.

Expiring TWWIIA Provisions

There are several expiring or expired provisions contained within TWWIIA that are critical to facilitating the participation of those on Title II and/or Title XVI in the workforce. The failure to extend these programs could undermine the long-term impact of the law in improving employment opportunities for this population of people with disabilities. Two such programs include the Work Incentive Planning and Assistance (WIPA), and the Protection and Advocacy for Beneficiaries of Social Security (PABSS).

Work Incentive Planning and Assistance (WIPA) Program.—The Social Security Administration has long been committed to the WIPA program and issued a Request for Proposal inviting application for these programs in May of 2000, with a second round of application in the fall of 2006. WIPA grants to nonprofits and other agencies fund outreach, education and benefits planning services to Title II Disability and SSI beneficiaries about work incentives and services for finding, maintaining and advancing in employment.

WIPA grantees inform beneficiaries of the impact that employment will have on their disability income and medical coverage, and address many of the real fears that individuals have about going to work, including the risk of losing health coverage. These grants have consistently demonstrated their effectiveness in explaining work rules and stressing the important information that people need to know before going back to work. Relevant pamphlets and the "Red Book" are not enough to help individuals understand the confusing work rules. People often need more than one explanation and need to see the rules applied to the facts of their cases. Trained WIPA staff is skillful at making sure that beneficiaries know what will happen to their benefits when they go to work. Often, the fear of losing ones benefits is enough to prevent someone from seeking employment.

The Protection and Advocacy for Beneficiaries of Social Security (PABSS).—This program was created in TWWIIA to protect the rights of beneficiaries as they attempt to go to work and was the last programs within TWWIIA to be fully implemented. It is the responsibility of the PABSS programs to provide information, ad-

vice, and remedy to complaints of beneficiaries utilizing their options to explore work.

In addition to resolving work related overpayments and assisting individuals to access the services and supports they need to work, this program assures that legal protections are given to beneficiaries in the difficult economic climate where discrimination against people with disabilities may increase. PABSS helps people with disabilities maintain employment, enforces the nondiscrimination provisions of the ADA, works for the provision of reasonable accommodations, and seeks to protect other basic employment rights that are important to the employment of people with disabilities.

SSA and Work Incentives

The Ticket to Work program and other provisions of TFWWIA are only one part of a larger discussion needed concerning barriers to employment for Social Security disability beneficiaries. Many other policies within the Social Security Disability and Supplemental Security Income programs serve as disincentives to workforce participation for people receiving these benefits.

The elimination of the 24-month waiting period for Medicare.—Good health is essential to a successful return to work. Failure to have access to health coverage undermines the person's ability to stabilize his or her condition and to attempt a return to work when that is appropriate. This waiting period also forces individuals to impoverish themselves to qualify for Medicaid, putting even greater burden on this already strapped program.

Allowing permanent premium-free access to Medicare for beneficiaries who work.—Social Security disability beneficiaries who have lifelong conditions should retain lifetime access to Medicare. Once someone goes beyond the premium-free Part A coverage provided under TFWWIA, a working person with a disability can buy-in to Medicare but at significant expense. Providing continued attachment to Medicare for working beneficiaries would ensure ongoing eligibility for health care. Some beneficiaries, based on their earnings, should have the ability to obtain this coverage through a buy-in program.

Increasing Medicaid asset and resource limits.—SSI assets/resource limits have increased only minimally since 1974. As a result, working people with disabilities who rely on that program for critical services and supports cannot earn and save like most Americans.

Modifying "deemed" SSI eligibility to protect Medicaid for certain working people who transition to Title II.—The deeming of SSI eligibility is important to avoid creating an unintended disincentive to work, especially for younger individuals who receive Disabled Adult Child or DAC benefits. Current law creates a constraint against attempting to work because it only provides protection when the *sole* reason a person's income exceeds the SSI level is the Title II benefit increase. Thus, working and having any earnings will automatically make the person ineligible for the deemed SSI status that protects his or her Medicaid. This is especially ironic, because if s/he had been solely an SSI recipient, the person would be able to benefit from the 1619(a) and (b) work incentives. This can be fixed by providing that SSI deemed status will continue so long as the person's only other reason for ineligibility is earnings from work.

Statement of Austin Area Mental Health Consumer

During the hearing there were positive and negative statements made about the current Ticket to Work programs under the Social Security Administration, specifically the employment support programs: The Protection and Advocacy for Beneficiaries of Social Security (PABSS) program, which provides advocacy services for beneficiaries who are attempting to work; and, the Work Incentives Planning and Assistance (WIPA) program. Our organizations, Austin Area Mental Health Consumers, Inc., Return to Work program has been attentive and has attempted to access these programs with updates obtained through teleconferences and webinars. WIPA program has been helpful, although we have not been able to fully implement this program in our core: Texas Austin-Travis Mental Health Mental Retardation (MHMR) funded for clients and Texas Department of Assistive Rehabilitative Services. This program was created to help beneficiaries navigate Social Security's complex maze of work incentive policies; also, we recognize the overburdened SSA field office staff are often not able to provide the in-depth, one-on-one assistance to beneficiaries, therefore we are able to facilitate and bridge the gap. We understand the need to fully inform clients about work incentives and some effects that working

would have on their benefits including well-being. Work is used as therapy for many of our clients. Under the WIPA program, this critical personalized assistance is provided by community-based organizations, such as Austin Area Mental Health Consumer's, with funding from SSA. Since this is a new component of our program our success rate has been flat, about 5%.

Letter of Barbara Barbin

My name is Barbara Barbin and I am a Community Work Incentives Coordinator (CWIC) employed by the Houston Center for Independent Living. We are also a part of the Gulf Coast Work Incentives Planning and Assistance program. I read the release concerning the Social Security Administration's Employment Support Programs for Disability Beneficiaries dated May 19, 2009. As a CWIC, it is my responsibility to provide SSA beneficiaries with "accurate information about work incentives and benefits planning" as stated in the Work Incentives Planning and Assistance Privacy Act notice from Social Security. I am only speaking about the part I play in our program. I feel that CWICs do a great deal to educate consumers about the work incentives that are available to them whether they are on Social Security Disability Insurance or Supplement Security Income. We do this by explaining on the telephone, in outreaches, in Transition Fairs, individual meetings, and monthly Employment Workshops held here at the Center the guidelines SSA has outlined for them in using the Ticket to Work. As stated in the release, consumers are free to give their ticket to Employment Networks (EN) who assist them in preparing to go to work. Consumers may also choose not to assign their ticket yet still go to work. For many consumers, this is a good idea because they may already have expertise in certain fields and may not require the services of an EN; however, the advantage of their using an EN is that as long as their ticket is assigned to an EN, they will not have any disability reviews.

Speaking as an individual CWIC, I can say that the consumers I have dealt with have expressed a great deal of satisfaction with my work and I am sure all CWICs throughout the country will tell you the same thing. Beneficiaries call asking about how they can go to work without losing their benefits and we explain the Ticket to Work program to them. Supplemental Security Income beneficiaries benefit greatly from going to work because in many cases they are able to maintain employment and continue to receive a portion of their check on top of that. Because we are able to explain under what circumstances they can maintain both checks, they are more willing to attempt to work in spite of their disability. Without the information and ongoing followup we provide, which is grounded solely in SSA's guidelines, many consumers would not even consider returning or even going to work for the first time. Additionally, they know they will receive reliable information if a problem should arise and they have questions. Though I might not have all the answers, I know where to turn to obtain the answer. Personally, if I were a beneficiary, I would feel very secure in knowing there is an organization out there contracted by SSA that is there exclusively to keep me on track and in compliance with their guidelines.

In conclusion, the Release stated, "Of course, the ultimate measure of success will be whether more individuals are able to return to work and end their receipt of benefits as a result of the Ticket and SSA's other employment support programs." That's a very tall measure. Does that take into consideration that though an individual may not leave the rolls entirely, he is becoming more self-sufficient and is paying taxes where he may not have in the past or would not have even attempted were it not for such a program? This may seem like small progress, but to the beneficiary, it is hard-earned success.

Thank you,

Barbara Barbin

Statement of Brenda Peterson

Social Security Administration's (SSA's) Employment Support Programs for
Disability Beneficiaries

For me personally ticket to work (TTW) has not been very helpful. Increased awareness for those involved in helping would assist in removing some of these challenging obstacles for those like myself who have hidden (non-apparent) chronic

painful disorders. I appear healthy so most assume that I am a healthy individual with no disabilities.

My battle has been that I need accommodations that would qualify me to most likely fall under the reasonable category.

The vendors under TTW that I have contacted were not familiar with the main disorder (I have more than one) that has caused the most trouble. These vendors did not know how to be helpful. There is only one rehab person out of four in two different States and in different cities that were slightly familiar with the disorder. When I was first diagnosed one State rehab person said that there was nothing they could do. Another one said that she had two individuals with this disorder during her entire career and both of them were only able to work for a brief period of time after sending them to school to be trained. Vendor awareness and training is a necessity for the TTW to be successful in assisting people with hidden chronic painful disorders.

There are additional obstacles that I have had to deal with. I am unable to do repetitive writing with my dominant right hand or do anything that causes further aggravation and increased pain and inflammation to my right hand and the right side in particular. Fortunately, I recently found an information factsheet published by Job Accommodation Network (JAN) that specifically deals with this disorder that I share with a prospective employer.

I would really like to see changes to the program that support people with hidden (non-apparent) disabilities. I hope that my personal testimony provides insight to the difficulties in the TTW program for someone with hidden (non-apparent) disabilities.

Thank you,

Brenda Peterson

Statement of Council of State Administrators of Vocational Rehabilitation

On behalf of the Council of State Administrators of Vocational Rehabilitation (CSAVR), we submit this statement for the record regarding the Social Security Administration's Ticket to Work program and other work incentive related issues.

The State Vocational Rehabilitation agencies have a long history of working with Social Security beneficiaries on Social Security Disability Insurance and Supplemental Security Income due to a disability in their efforts to return to work. Every year we help thousands of Social Security beneficiaries find work, leave the disability rolls, and become taxpaying citizens. In return, SSA reimburses State agencies for the costs of providing services. The Social Security Administration most recent data indicates that for every dollar SSA reimburses the State VR agencies, SSA has saved 7 dollars in benefits that it would have paid out; a net savings of \$754 million to the SSDI and SSI programs last year. In addition, we help beneficiaries navigate the myriad of complicated Social Security rules around work and help beneficiaries avoid overpayments once they return to work.

The Ticket to Work and Work Incentives Improvement Act (TTWWIIA) was passed by both houses of Congress in 1999 by overwhelming bipartisan majorities. It was signed into law by President Bill Clinton in December 1999. This legislation created the Ticket to Work program with the goal of expanding the employment services and resources available to help SSA beneficiaries return to work. It expanded and extended health care coverage to beneficiaries who return to work so that they would not have to worry about losing their health care coverage. The bill also created several initiatives designed to help beneficiaries utilize the work incentives in the Social Security program.

Despite the high expectations of the disability community, rehabilitation providers, and Congress for the Ticket to Work, the first regulations, issued in December 2001, and the subsequent Transmittal 17 policy, undermined the objectives of the Ticket. It was clear that revisions were necessary.

We applaud Associate Commissioner Sue Suter and the Office of Employment Support Programs (OESP) at SSA for listening to the stakeholders who brought their concerns to SSA, the Ticket to Work and Work Incentives Act Advisory Panel, and to Congress. The new regulations, particularly Partnership Plus, take the Ticket program in a new and positive direction. These new regulations, which became effective 1 year ago, enhance payments to Employment Networks (ENs), allow SSA beneficiaries to access both Vocational Rehabilitation services and those services offered by ENs, and will help ensure that SSA makes payments to providers on a more timely basis. Although Associate Commissioner Suter is departing SSA, we

hope that the new leadership at OESP continues the good work she has started there.

Benefit Offset National Demonstration (BOND)

Long before TWWIIA, SSA was required to initiate a national demonstration to test alternate methods of treating work activity in the SSDI program through a benefit offset project. The purpose of the Benefit Offset demonstration was to determine the effect of employment outcomes including wages, benefits, hours worked, and job retention when a financial offset in benefit payment is applied reducing Title II disability benefit payments by only 1 dollar for each 2 dollars earned. This work incentive already exists in the SSI program and enables a beneficiary to successfully and gradually work their way off benefits and move toward self-sufficiency by decreasing benefit payments as earnings increase. This encourages work but does not penalize the individual or force them to give up a full benefit amount when they are working their way back to full employment.

Despite years of planning and design, the Benefit Offset National Demonstration (BOND) is not scheduled for implementation until FY 2010. Prior to this national implementation, SSA conducted a four-State pilot demonstration, which began in August 2005. This long overdue project provided the opportunity for beneficiaries to face a gradual reduction in their benefits, eliminating the abrupt loss of cash benefits in the Title II disability programs when the beneficiary works and has earnings over the Substantial Gainful Activity (SGA) level which is currently \$940.00 a month. If the BOND is properly conducted and implemented, the strategies developed for this project could serve as a powerful incentive and should considerably reduce barriers to work for SSDI beneficiaries by allowing them to maintain or increase their employment, earnings and financial independence.

In fact, the four-State project has shown promising results. In 2008, the four Pilot States (Connecticut, Vermont, Utah, and Wisconsin) started to produce preliminary outcome data on the impact of the \$1 for \$2 for all participants, albeit over a limited time period. Among the findings: In Connecticut and Vermont, the rate of beneficiaries in the test group who earned above the SGA threshold increased by statistically significant margins of 17.5 percentage points and 5 percentage points, respectively, compared to controls.

In Utah, the same analyses conducted by the other States did not reveal significant differences for the test group at five quarters after enrollment because early project enrollees took longer to increase their earnings. However, SGA comparisons for the five quarters before enrollment with the most recent available quarters (the first and second quarters of 2008) were statistically significant, with the increase in people earning above SGA being 7.3 percentage points higher for the test group than the control group. These analyses using recent calendar quarters recognize the time needed for the project to become effective.

Wisconsin has not yet demonstrated statistically significant differences between the test and control groups.

SSA Demonstration Authority and Employment First

SSA's authority to conduct SSDI demonstration projects has expired and we believe Congress should work expeditiously to renew that authority. Legislation introduced last Congress by Representative Kind (D-WI), Representative Ryan (R-WI), and Representative Petri (R-WI) called for renewed SSDI demonstration authority. The Wisconsin Division of Vocational Rehabilitation and WI VR Administrator Charlene Dwyer and her staff have worked tirelessly with the Wisconsin congressional delegation to develop this proposal. Among the provisions in the bill is authority for three types of experiments or demonstration projects:

1. Reduction of benefits based on earnings.
2. An earned income cost share with no benefit offset.
3. Early intervention diversion programs.

The State of Wisconsin, and the Wisconsin Division of Vocational Rehabilitation, has been in the forefront for many years looking for ways to improve Social Security and other programs that beneficiaries rely on to work. It is time to allow States to once again work with their Federal partner to find ways to make our Nation's programs work for people on Social Security.

CSAVR strongly support these efforts and in particular the idea of testing early intervention or employment first. CSAVR's Employment First proposal, which can be found at <http://www.rehabnetwork.org/red/red.htm>, calls for a completely voluntary program, in which participation does not stop the disability application process, a person receives immediate access to temporary cash assistance, immediate access to health care coverage, immediate access to vocational services to assist the

person to find work, and suspension of the Social Security disability application once employment above SGA is found or if employment fails, the work effort is not considered as evidence of ability to engage in SGA.

Expiring TTWWIIA Provisions

There are several expiring or expired provisions contained within TTWWIIA that are critical to facilitating the participation of those on Title II and/or Title XVI in the workforce. The failure to extend these programs could undermine the long-term impact of the law in improving employment opportunities for this population of people with disabilities. Two such programs include the Work Incentive Planning and Assistance (WIPA), and the Protection and Advocacy for Beneficiaries of Social Security (PABSS).

Work Incentive Planning and Assistance (WIPA) Program.—The Social Security Administration has long been committed to the WIPA program and issued a Request for Proposal inviting applications for this program in May of 2000, with a second round of application in the fall of 2006. WIPA grants to nonprofits and other agencies fund outreach, education and benefits planning services to SSDI and SSI beneficiaries about work incentives and services for finding, maintaining and advancing in employment.

WIPA grantees inform beneficiaries of the impact that employment will have on their disability income and medical coverage, and address many of the real fears that individuals have about going to work, including the risk of losing health coverage. These grants have consistently demonstrated their effectiveness in explaining work rules and stressing the important information that people need to know before going back to work. Relevant pamphlets and the “Red Book” are not enough to help individuals understand the confusing work rules. People often need more than one explanation and need to see the rules applied to their specific situation. Trained WIPA staff is skillful at making sure that beneficiaries know what will happen to their benefits when they go to work.

WIPA programs have been flat-funded at \$23 million since their inception and are struggling to maintain their high level of service. In addition, these grants will terminate 6 months into FY 2010 unless renewed by Congress. Increased appropriations are needed to continue and expand this very important program.

The Protection and Advocacy for Beneficiaries of Social Security (PABSS).—This program was created in TTWWIIA to protect the rights of beneficiaries as they attempt to go to work and was the last program within TTWWIIA to be fully implemented. It is the responsibility of the PABSS programs to provide information, advice, and remedy to complaints of beneficiaries utilizing their options to explore work. This work is consistent with the mission of the Protection and Advocacy (P&A) system, created by Congress in the 1970s to protect individuals with disabilities from abuse, neglect, and discrimination based on disability. With a presence in every State and U.S. territory, and the District of Columbia, the P&A systems offer an advocacy and legal voice to individuals with disabilities as they venture into the workforce.

Medicaid Infrastructure Grants

These grants were authorized from 2001–2011 by section 203 of the TTWWIIA and are administered by the Centers for Medicare and Medicaid Services. These grants provide States with flexible funds to enhance State infrastructure that supports workers with disabilities. Due to the MIGs, over two-thirds of States have implemented Medicaid buy-ins, redesigned Medicaid waivers and personal care programs to ensure that individuals can go to work, and improved coordination between Social Security, WIPAs, Medicaid and related agencies. In 2009, 42 States and the District of Columbia received these grant funds and they have been an incredibly valuable vehicle for linking across systems, and building infrastructure within States.

Medicaid Buy-in

The Medicaid buy-in provides Medicaid coverage to people with disabilities who would be receiving SSI but for their earnings from employment. Many of these individuals need services beyond what private insurance covers, or they would be unable to acquire coverage on the individual market. Over 40 States have created a Medicaid buy-in under TTWWIIA or under the earlier buy-in created under the 1997 Balanced Budget Act and are experiencing positive fiscal returns. However, participation in the Medicaid buy-in as in current legislation is those “at least 16 years of age but less than 65 years of age” despite the increase in normal retirement age beyond age 65. Thus, someone can be using the buy-in to work until he/she retires at “normal retirement age” but then is confronted by the loss of the resource/asset limit suspensions when they reach age 65. This anomaly needs to be corrected.

Overpayments

Finally, we believe that SSA must address the problem faced by beneficiaries who return to work and still continue to receive their benefits even *AFTER* Social Security has been notified by the beneficiary about their work and income. There is no greater burden, and no greater disincentive to work, than when a beneficiary receives a notice from SSA stating that they owe thousands or perhaps tens of thousands of dollars because SSA couldn't stop their checks. Beneficiaries do the right thing: They report their work in person or to the 800 number and are told that SSA will let them know if there is a problem. Months or even years in some cases may have gone by with no cessation of benefits. If the beneficiary has received good advice they have saved the funds and can repay them when asked. But even if they do this, a beneficiary must still pay *TAXES* on the benefits they are not supposed to be receiving. They must then file amended State and Federal tax returns. This is simply outrageous. SSA simply must improve the income reporting process or, in the alternative, Congress should stop SSA from collecting overpayments if the person has followed the rules and reported their income. Beneficiaries who follow the rules should not have to pay for SSA's negligence.

Thank you again for the opportunity to submit these comments for the record and CSAVR looks forward to working with the Subcommittee on these important issues for people with disabilities.

CSAVR Social Security Relations Committee Cochairs:

Brenda Moore, *Director, Connecticut Bureau of Rehabilitation Services*
 Donald R. Uchida, *Executive Director, Utah State Office of Rehabilitation*

Statement of Diana Bell

I have a Ticket to Work, and have had trouble finding any quality Employment Networks. I am including an attachment of the ones we have here in Denver and the list is not very good. The only one who seems to have a sincere interest in doing anything is Jeffco Work Force.

I have been signed up with an individual out of State. There seems to be a lot of EN's that only take your ticket and give you back part of the money that SSA pays them.

The program seems to be a good program with incentives but does not seem to be doing what it should be doing in reality.

The program is not financially beneficial for an individual and for organizations, I think it is very time consuming but at the same time they have other monies to support the program.

One of the mistakes that everyone seems to be making is what the program is supposed to do. People are supposed to go to work but with the intention of keeping them working. But that can't be accomplished when we are not addressing the individual (ticketholder) as a whole. The program can not go forward with creating a plan for self-employment when someone is hanging off a cliff already by one arm and that is what this program is doing. It is hard to do a business plan when the individual is dealing with the possibility of being homeless and wondering about life's other challenges.

We need to look at how Australia has dealt with this issue of putting people to work with disabilities. We need to create "businesses or nonprofits" to hire ticketholders and provide support services for them while they work.

I have been working with Voc Rehab now for almost a year, countless wasted hours. And we are still nowhere near a workable plan for me. I think that Voc Rehab is involving too much of their own thoughts on people's plans and lives. We are not being allowed to make choices for ourselves and what our choice of work should be. I recently had problems where I live and almost ended up homeless. Voc Rehab had no resources or ideas for me to deal with this. But they did remind me I had an appointment the following week.

I think that by creating places where they work and work more with people with disabilities they are more likely to stay on the job because this place becomes a home away from home and now they have friends with similar issues and interests. To put them to work with so-called normal people only creates a situation for isolation.

I am sorry if this sounds rather scattered but I have medical issues that sometimes deal with my train of thought.

I am also including a plan on how this program needs to work to make it more financially appealing to individuals and attract more qualified ENs.

You need a support system that picks up these ticketholders after they go to work and that is the program I am working on. Hindsight is 20–20—providing the resources before they need it. This would free up the time for ENs to actually do what they hopefully do best. It works kind of like some of the nonprofits do it—you have the nonprofit that strictly deals with the ones listed under it—for example all of the paperwork, funding, etc. ... freeing up the ones that are under its umbrella to do what they do best. This is also how the Australia Disability Enterprises do it.

The Australia Disability Enterprises have about 600 nonprofits under it from landscaping, nursery wholesale, retail, shipping, catering and janitorial, etc.

The goal is to keep them working, but making them happy is what is going to keep them on the job.

Voc Rehab is refusing to help me become an EN—they justified it by telling me that I don't have a Master's degree like they do and that I would be in direct competition with them. This is all ridiculous. We should all have the same goal and outcome for these disabled individuals.

I currently am working on my website and do classes on the ticket to work. I have also had lots of people call me on how to apply to SSA on their new hiring initiative. That part has expanded to disabled veterans. I now take calls from the workforces on how to do the "Schedule A" and provide support for one of the coalitions for the homeless. I also do a blog on the Disability Digest covering SSA updates. Outreach with what is available with the Ticket to Work is not reaching individuals and so many don't even know they have a ticket to work or what it is.

You need to start with more outreach and support services for the individuals for when they go to work and then move into creating workplaces for them.

I have done all of this work on what my disability check is and no income yet. But SSA has plenty of money and can not seem to accomplish these goals. I mean, really, how difficult is it to go to these low-income HUD-subsidized apartment buildings and do the ticket to work class there???? Most of these individuals all have a ticket to work. How about creating some kind of work at these locations?? Lets get to thinking outside of the box. Sometimes you all spend too much time in meetings and the goal is lost in everything.

I have already created a database with information but again Voc Rehab won't let me do it as a self-employment plan, so therefore will not help me financially. They want me to think in smaller terms, which is something I can't do. I asked for software to create an automated system to send out info and request info to help ENs but the answer is no.

This has not stopped me. I am using Go Daddy products at this point, piecing the database together.

It makes no sense to me. Something that would improve and help both the ticket-holder and the ENs that work with them, but they have no problem giving me more money to do an organic seed business. Just how wisely is this planning working????

Diana Bell
World of Disability, LLC

Statement of Don C. Kandlbinder

I have a ticket to work and would love to see if I could do some part-time work but figuring out how to go about applying for a job is very difficult. It is like you make it that way just to stop us from trying.

However, I do appreciate the program and I appreciate my VR rep here in Indiana. This is about all I have to say on the matter.

Sincerely,

Don C. Kandlbinder

Statement of Don Fitch, Center for Career Freedom

The Center for Career Freedom is a 501(c)(3) with a mission of recovery and rehabilitation of persons with severe and persistent mental illness leading to competitive employment. The Center is the only nonprofit in New York State that is a NYS Department of Education Licensed Business School, a Microsoft® Certified Office Specialist Training Center, an SSA Employment Network and, recipient run. We have served over 1,500 recipients of SSI and SSDI since our founding in 1998.

Our analysis of the recipients' economics of recovery and the Governments' Work Incentives have lead us to the conclusion that SSI recipients, except under rare circumstances, cannot work their way off their benefits to self-sustaining employment.

To document this conclusion, we respectfully submit to the Committee the following five points:

1. In spite of the millions SSA has spent for Employment Support programs these past 10 years, they have had no appreciable effect in returning recipients to self-sustaining employment.

According to SSA, less than 1 percent (545 out of 5.9 million) of the SSI recipients successfully returned to work (Annual Statistical Reports, 2007, Table 43 for SSI, Table 53 for DI).

2. For most recipients, the cost to replace their benefits outweighs the advantages of returning to work.

The average monthly dollar value of typical government benefits for persons with disabilities in NYS is over \$2,300 or about \$28,000 per year. A person would have to gross about \$35,000 a year to replace these benefits. The operational definition of recovery at the Center is: "Our students must acquire sufficient skills to earn \$17 an hour and the stamina to work 35+ hours per week."

3. Persons on SSI suffer from the earlier onset of their illness and more severe work-related impairments.

By definition, recipients of SSI do not have 10 or more years of work (40 Qtrs.). Our studies of over 500 recipients found this correlated with fewer years of education, fewer years of competitive employment and consequentially, less lifetime earnings. We have reaffirmed that the best predictor of future job success, is past success. Recipients of SSI require many more job supports than SSA offers.

4. SSAs' (and other government agency) work deductions, together with ordinary work-related expenses, prevents recipients from returning to work.

A typical SSI recipient receiving \$761/Mo. disability income plus \$200/Mo. food stamps, Medicaid, Section 8 rental assistance and half-price bus pass would have over \$175 deducted from their monthly benefits if they attempted to work just one 7-hour day a week, at \$8 an hour (\$224/Mo. gross salary). Their average work-related expenses, taxes, transportation, personal, food, etc. would be about \$107 per month. Even if they bring all their own food, snacks and beverages and take advantage of HUDs' Earned Income Disallowance, they will keep about \$30 a month, that's \$7.50 for the day or \$1.07 an hour. This is a fraction of what they expected to earn and it is why recipients stop working.

5. SSAs' Work Incentives do not work for 99 percent of the almost 12 million persons with disabilities.

As an EN, we have found that while Ticket-to-Work offers our students 60 months of avoiding a CDR, in return, they will have to earn at least \$670 a month for 3 months in year 2, again, for 6 months in year 3 and, again, for 9 months in years 4 and 5—to maintain this "protection." In order to increase the payments to the EN, SSA has simply raised the bar on the recipients. They have shifted the cost of the new rate structure to the recipient. We predict it won't be effective for the reasons cited above. Indeed, Mathematica Policy Research, Inc., one of SSAs' research vendors, has so stated (www.mathematica.mpr.com/). According to SSA, the '08 Ticket-to-Work enrollment is about one-tenth of 1 percent.

The Pass Plan currently has no enrollees in New York State (less than 1 percent nationally) for the simple reason that persons on SSI, after benefit and expense deductions, have no money left over to save.

Provision 1619(b) and the Medicaid buy-in only kick in when the SSI recipients earn over \$45,000 a year. The odds of that happening are 1 in 100,000.

Of the IRWE's, only medically-prescribed transportation would apply to our population.

We have seen subsidies work when the recipient works for a family-run business—but there are few of these situations.

Work Opportunity Tax Credits don't help the recipient keep more of their salary.

SSAs' Subcommittee testimony is almost identical for 1999 and 2009. They would have us believe that their incentives would be effective in returning recipients to self-sufficient work if only more people knew about them. They talk of demonstrations and studies that will prove their effectiveness in years to come if the Committee will only be patient. SSAs' requests are always the same: "Give us more time and money."

Conclusion

In spite of the hundreds of billions spent in the United States for the recovery and rehabilitation of persons with disabilities; health care, housing, education/VR, community supports, job development and more, we are unable to help more than one-half of 1 percent achieve self-sustaining employment. Denial of this fact doesn't solve the problem.

This failure affects every one of the over 12 million persons with physical and mental disabilities; it is a waste of their lives and talents, an enormous loss to the economy, an unnecessary burden to the taxpayer and a drain on the Social Security Trust Fund.

America cannot afford to continue this colossal waste of life and resources. It is time for change. It is time to act. We don't need another study, SSA has already provided the data.

Whatever the answer, it will require the Committees' leadership and bipartisan coordination. History has demonstrated it won't be solved by SSA and the academics.

We envision a series of public-private partnerships, with businesspersons leading the way. These pilot studies could include a variety of scenarios:

- European-style integrated onsite employer-caregiver programs.
- Progressive incentivized task training based on demonstrated ability/performance and government earnings restrictions.
- Parity SSA return-to-work regulations for SSI and SSDI populations.
- Outsource transition-to-work programs from SSA/VR to DOL and Manpower, Goodwill Industries or?

In light of this evidence, it is our recommendation that the Committee postpone reauthorization of WIPA and PABSS until a thorough review of the Economics of Recovery can be conducted for both SSI and DI recipients.

Thank you for your time and consideration.

Respectfully submitted,

Donald M. Fitch, MS
Executive Director, Center for Career Freedom
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Statement of Françoise Frigola

As a self-employed disabled individual on SSDI and on the 250% California Working Disabled program, I urge the Social Security Administration to implement a **sliding scale benefit reduction** as soon as possible.

For self-employed individuals, medical insurance coverage is also part of the "cliff" preventing us from becoming self-sustainable. Most of us cannot be without medical insurance. Assuming we can find an insurer, our "pre-existing conditions" make the premiums unaffordable. Please offer **the continuation of Medicare coverage with reasonable premiums**.

Françoise Frigola
Member, California Work Group—specializing in self-employment issues

Statement of Health and Disability Advocates (HDA)

Health and Disability Advocates (HDA) is a national policy and advocacy group that works to promote policies and programs that ensure the economic security and comprehensive health coverage for children and adults with disabilities and older adults, particularly those with limited incomes. A major part of our work is assisting individuals, community-based service providers, and advocates who assist individuals with disabilities with employment, in understanding and navigating the complicated State and Federal benefits systems, identifying barriers to accessing those systems, developing policies and solutions that will eliminate those barriers, and assuring that policies promote rather than hinder an individual's efforts to gain or maintain employment. Through this work, we have had the chance to observe first-hand and on the ground the impact of the Social Security Administration's Employment Support programs. These experiences inform our comments on the programs, set out below.

I. The new regulations promulgated by the Social Security Administration will have a positive impact on the Ticket to Work Program and employment outcomes for beneficiaries of Social Security. However, these regulatory changes alone are not enough to support a substantial number of SSA beneficiaries in obtaining and maintaining employment and/or leaving the SSA benefits rolls due to employment.

Most advocates and stakeholders agree that there were at least four major problems with the Ticket to Work Program prior to the implementation of the new regulations:

1. The payment system was inadequate at attracting meaningful participation from service providers. The payments were too little and the outcomes and their timeframes were unreasonable.
2. The original regulations put the Employment Networks and the State VR agencies in direct competition for the tickets. Because many Employment Networks were also VR contractors, and the VR system paid better, most Employment Networks opted not to compete against VR and stick to their VR contracts. VR agencies were forced to take tickets in order to receive reimbursement from SSA under their preexisting cost and did so. The statistics bear this out: With a few exceptions, VR was the only one meaningfully participating in the Ticket to Work Program. Before and after the Ticket to Work Program, VR was the only viable choice in most parts of the country.
3. In order for the Ticket to Work Program to succeed, you need a significant portion of the beneficiary population to be "ticket ready" or ready to work at levels of employment that produce payments for the EN system supporting them. This can only be done with extensive and intensive education and outreach to the beneficiary population and all the systems with which they interact. The message must be that it is "safe" to work and successful utilization of the work incentives will lead to a life of greater self-sufficiency that can be sustained.
4. In addition, you need an employment service provider system that is able to get beneficiaries placed and maintained in employment at a level high enough to produce payments. For too long, much of the employment services system used by people with disabilities has NOT produced placements that would move people toward less reliance on public benefits.

The new regulations take the necessary steps to correct the first two problems. The new regulations created a better payment system that is more attractive to service providers and the Ticket to Work Program is seeing an increase in participation. The new regulations also now allow VR and ENs to work together under a model called Partnership Plus. This should allow for more participation as well.

However, the regulations do not address the problems described in #3 and #4. Nor could they, as these two issues cannot be solved by regulations alone. Rather, #3 and #4 can only be tackled by SSA utilizing its authority under Section 121(2)(B) of the Ticket to Work and Work Incentives Improvement Act to conduct extensive and intensive education and outreach to beneficiaries and service providers about the work incentive programs and promising practices in assisting SSA beneficiaries in returning to work at meaningful wages. Up until this point, SSA has failed to do this in any comprehensive way.

II. Through the creation of the SSA work incentives, extension of Medicare eligibility, extension of SSI Medicaid eligibility through 1619(b), and the implementation of Medicaid buy-in programs in the vast majority of States, many of the significant benefits barriers to returning to work have been removed. However, unless beneficiaries and the service providers know and understand these rules and how to utilize them, all of these changes will have a negligible impact on the number of SSA beneficiaries seeking, obtaining, and maintaining employment.

For many years, a significant and very real barrier to returning to work was continuing access to cash benefits from Social Security and/or Medicare and Medicaid. To put it simply, SSA beneficiaries would not work because it would require them to lose necessary cash benefits or health care. Over time, and culminating in the Ticket to Work and Work Incentives Improvement Act, these barriers have been removed. There are still issues, especially involving the sudden loss of all SSDI benefits, "the cash cliff," when a person works over the Substantial Gainful Activity amount. But, for the most part, there have been significant strides in lessening and removing these barriers.

Given these vast improvements, why have we not seen a significant increase in SSA beneficiaries working and even leaving the SSA cash rolls? As cited by John Kregel in his important testimony on the WIPA programs, Mathematica's 2006 National Beneficiary Survey estimates that 44% of SSA beneficiaries may be interested in employment. Yet, this interest is not translating into actual employment for mil-

lions of these beneficiaries. To be sure, there are still other barriers to employment faced by SSA beneficiaries, including discrimination, that cannot be addressed through cash benefits and health care programs. But, in our work at Health and Disability Advocates, we still hear SSA beneficiaries interested in employment express hesitation about pursuing it every day because of unfounded fears of what will happen to public benefits and health care by returning to work. We believe many SSA beneficiaries are still not taking that leap into employment because of fears and misinformation about the work incentives and public benefits programs.

Prior to the passage of the Ticket to Work and Work Incentives Improvement Act, many SSA beneficiaries had bad experiences with returning to work. They lost access to Medicaid. They were assessed overpayments. They could not get back into the benefits system when their medical condition worsened without going through the long, difficult process of another initial application. These personal and negative experiences of employment live on in our communities.

Now, the rules and regulations governing the back to work process of an SSA beneficiary work well on paper. Congress has built a path to employment for SSA beneficiaries that is free of many of the previous benefits-related barriers to employment. But, these rules and regulations are never going to have a real world and significant impact until SSA makes it a priority to show SSA beneficiaries, their families, service providers and other support systems that the path has been cleared.

Congress provided SSA with the authority to build a comprehensive, intensive and large scale education and outreach effort to beneficiaries under Section 121(2)(B) of the Ticket to Work and Work Incentives Improvement Act. While it has done some work, but not enough, in the area of promoting the Ticket to Work Program, it has done virtually nothing to promote the broader work incentives and changes to the health care programs. Instead, it has relied almost exclusively on the WIPA Projects, described below, to do the heavy lifting on education and outreach in the community. Although they do what they can, 104 underfunded community-based programs, who are also expected to spend the vast majority of their time on individual counseling, cannot possibly implement an education and outreach strategy that will have maximum impact and result in significant levels of employment. While we wholeheartedly support fully funding and expanding the WIPA program as suggested by others in their testimony, a larger and better funded WIPA program could perform all of the individual benefits counseling work necessary to support SSA beneficiaries, but not all of the education and outreach work necessary to fully promote the SSA Employment Support programs. Indeed, this is not even what Congress intended, since the authority to create the WIPA Projects is separate and apart from the outreach and education authority under Section 121(2)(B).

Ultimately, it is not fair to SSA beneficiaries that the Ticket to Work and Work Incentives Improvement Act built a path for their self-sufficiency and so many of them don't even know it.

III. Work-related overpayments continue to be a serious problem and concern for both the integrity of the SSA programs and the beneficiaries who incur them. SSA continues to ignore this growing problem and fails to address it in any meaningful and comprehensive way.

The Social Security Administration (SSA) has been plagued with the issue of maintaining accurate payments for workers with disabilities who are beneficiaries. There are various reasons this occurs. One primary reason is that disability is a narrow margin of the number of beneficiaries served by SSA and even smaller is the population of beneficiaries with disabilities who return to work. The issue is compounded by the various work incentives available to workers with disabilities, which causes a great area of confusion and often even congruency between programs. This has resulted in a large backlog of reviews, delaying notification and causing larger overpayments while decreasing the likelihood that individuals will make positive decisions about working in the future. The issue is best highlighted in the September 2004 GAO report entitled: Disability Insurance—SSA Should Strengthen Its Efforts To Detect and Prevent Overpayments. The summary reads:

Disability Insurance (DI) program is one of the Nation's largest cash assistance programs for disabled workers. In fiscal year 2003, the DI program provided about \$70 billion in financial assistance to approximately 7.5 million disabled workers, their spouses, and dependent children. This program has grown in recent years and is poised to grow further as the baby boom generation ages. The Senate Committee on Finance asked GAO to (1) determine the amount of overpayments in the DI program, particularly those attributable to earnings or work activity, and (2) identify any vulnerabilities in SSA's processes and policies for verifying earnings that may contribute to work-related overpayments.

Overpayment detections in the DI program increased from \$772 million in fiscal year 1999 to about \$990 million in 2003. The true extent of overpayments resulting from earnings that exceed Agency guidelines is currently unknown. Based on available data from SSA, GAO found that about 31 percent of all DI overpayments are attributable to DI beneficiaries who worked and earned more than allowed. Moreover, GAO found that these overpayments contributed to mounting financial losses in the program. From 1999 to 2003, total overpayment debt increased from about \$1.9 billion to nearly \$3 billion. Three basic weaknesses impede SSA's ability to prevent and detect earnings-related overpayments. First, the Agency lacks timely data on beneficiaries' earnings and work activity. Second, SSA uses inefficient processes to perform work continuing disability reviews (work CDRs). Third, the Agency relies on potentially inaccurate management information to effectively monitor and oversee some parts of this workload. These weaknesses contributed to some work CDR cases GAO identified that were as much as 7 years old, resulting in potential and established overpayments as large as \$105,000 per beneficiary.

The full report can be found at <http://www.gao.gov/new.items/d04929.pdf>. Close to 5 years after the date of the report, many of the options identified to expedite and decrease overpayments have been left unfulfilled. SSA identified a similar issue in the Supplemental Security Income (SSI) program many years before. As SSI overpayments became a recurring issue, SSA made a policy decision to utilize the quarterly wage reports from OCSE (Office of Child Support Enforcement) for early income notification on individuals who were not reporting employment. This policy change has been noted as a huge success in reducing SSI overpayments. The GAO report from 2004 suggests SSDI process employment identification just like SSA uses that same source for SSI income tracking. Yet 5 years have passed and SSA has not moved forward with the OCSE quarterly wage reports for SSDI. For this reason, we would strongly suggest the Commissioner of Social Security study and implement the integration of the early alert similar to the process used by SSI by monitoring all the quarterly wage reports from OCSE. This would have immediate impact on identifying individuals who are in immediate need of review or continued eligibility, which could dramatically reduce the number of overpayments expected to occur in subsequent years.

Identification of individuals who require Work Continuing Disability Reviews (Work CDRs) to evaluate ongoing eligibility is only one-half of the equation. The report also identifies the desperate need to evaluate the growing backlog of Work CDRs already identified, which tend to be experiencing significant delay at SSA's Office of Central Operations (OCO). One reason many of these cases are backlogged is because 70 to 75% of all case reviews for Work CDRs are performed in the OCO in Baltimore leaving only 25% of Work CDRs performed in the field offices. Work CDRs are much easier to perform when they are completed by a claims representative who has an ongoing relationship with the client in question. In practice, the local claims representative has an understanding of the previous work activity and ongoing employment status of the individual, which makes it much easier to make a decision regarding the Work CDR decision in question. It eliminates the need for an immediate review of all the basic background information because the claims representative often already has a relationship with a client and knows this information.

For the reasons cited above, we strongly suggest a transition of Work CDR review to 50/50% review by OCO staff and local field office staff. If the impending result of the policy change is shown to decrease overpayments and expedite Work CDRs, then we would suggest shifting the reviewer balance to greater numbers in local field offices and away from OCO. This shift should create greater continuity between SSA and its clients, while decreasing the excessive costs and damage done by unnecessary overpayments.

IV. The WIPA and PABSS programs play a key and necessary role in supporting SSA beneficiaries who are working or considering work. These programs should be reauthorized and refunded with direction that SSA create and enforce key performance measures to assure that beneficiaries are getting the same quality services no matter where they live.

The WIPA and PABSS programs provide vital services that are an integral and necessary part of any workforce system that supports SSA beneficiaries in returning to work. Since their inception, they have supported many SSA beneficiaries with a smooth transition into employment. Given this, it is imperative that these programs become a permanent and adequately funded part of the SSA Employment Support programs. In doing so we would also suggest that SSA provide specific employment

measures and quality assurance procedures to guarantee each beneficiary receives the same level and quality of service regardless of where they live. These measures currently do not exist, which has resulted in a vast array of service quality across the U.S. Strengthening these measures will go a long way in ensuring the cost effectiveness of the funding spent and the direct impact that results from these services.

Respectfully submitted,

Health and Disability Advocates
Barbara A. Otto, *Executive Director*
John V. Coburn, *Senior Policy Attorney*
Joe Entwisle, *Senior Policy Analyst*

Statement of Joann Barnes

We are a small minority women-owned community business located in North Los Angeles County, Antelope Valley, California. We have been participating in the Ticket to Work program since 2004 with much success. This program is greatly needed in our community and support from our partners is invaluable. To discontinue this program would be a tremendous drain on our economy. We provide employment opportunities to disenfranchised individuals, who are preparing to enter or reenter the workforce, through comprehensive training in preparation for job readiness. We help individuals promote values of self-reliance and commitment to the community in which we live.

I thank you for your review of this matter.

Sincerely,

Joann Barnes

Statement of Joe Hennen

Employment supports in our public disability benefit programs are very important to the recovery process of individuals receiving these benefits. The employment supports however need to be simple to access, understandable, easy to use and helpful/friendly. When one looks at our current SSA "employment supports" we find a system that is much too complicated, way too hard to administer, difficult to use without getting an overpayment and is not always helpful or friendly. The purpose of this statement is not to attack Social Security or the folks that staff our local offices. There are many individuals in our local SSA offices that I applaud for their commitment and our Social Security system does provide an important safety net for many of our most vulnerable neighbors. There are, however, many problems in our SSA employment support rules that need to be addressed.

Today (5/26/09) I attended a SSA reconsideration/waiver request "personal conference" of a recent Social Security Disability Insurance (SSDI) beneficiary who was challenging an overpayment of \$25,232.00. This woman is a success story. She's come back from living in shelters, regained her two children, obtained a full-time job and is close to getting her AA degree. She no longer receives benefits, has learned to take care of herself, is now paying taxes into our Social Security/Medicare system and is taking care of her family. We should celebrate her success but instead we tell her she owes \$25,232.00 and ask her to send SSA a check. How can this happen and how would you feel? There are only so many mountains one can climb.

This morning when the SSA Claims Rep shook Lou Ann's hand hello and commented on how warm her hands were, Lou Ann replied that "it's probably sweat because I am real nervous." The SSA Service Rep was very helpful, friendly and supportive. Lou Ann left the conference still owing \$17,400.00. She wants to share her story to help others facing the same issues.

My name is Joe Hennen. I am a Benefits Planning Specialist with Vocational Rehabilitation Services in San Mateo County, California. I have a Master's degree in Clinical Psychology and over 25 years of experience providing vocational services to individuals living with and recovering from psychiatric disabilities. I have been counseling individuals around SSA benefits since the early 80s and I am a strong advocate for including benefits information in all vocational planning. I served as a Benefits Coordinator on a "Social Security Demonstration Project" in California called the Individual Self-sufficiency Planning Project (ISSP) from 2000-05. This was a research project funded by SSA to identify innovative strategies and services

to successfully assist individuals with mental health disabilities in their efforts to reenter the workforce. I have been working with the CA Department of Mental Health and the CA Department of Rehabilitation as a Benefits Planning trainer and consultant since 2002. As a trainer I provide 6 hour training on SSDI/SSI general information and work incentives co-facilitated by a SSA staff person (SSA-AWIC). I also teach a class on Public Assistance and Disability Benefits programs at two of our local Community Colleges (Canada College and the College of San Mateo). I believe in the power of hope and options in the process of recovery and value the principle of self-determination.

I am very pleased to see that Congress is reviewing our current SSA "Employment Supports" and taking public testimony. I would like to submit the following comments for consideration in your review. My thoughts and observations are based on my experience and my day-to-day contact with SSA disability beneficiaries (SSDI and/or SSI) and SSA staff. This statement is my recommendations as a concerned professional and is not those of any agency I am currently affiliated with.

Recommendation #1

Local SSA offices and local community organizations need to try to develop stronger partnerships to assist beneficiaries of SSDI or SSI in their efforts to return to work. This objective needs to be a strong part of the SSA employment supports program.

For anyone who regularly interacts with SSA it is obvious that there are not enough staff in our local offices to effectively administer the "employment support" program/rules while still doing everything else SSA staff does. Without more staff the Agency's employment support mission can not be achieved alone. Although I believe we need more direct service SSA staff I also know that stronger working partnerships between SSA and local vocational/disability service providers would help achieve the goals of SSA's employment support mission and benefit those we all serve. Local service providers can help educate beneficiaries about their benefits, help beneficiaries report earnings to SSA and support our mutual clients in their efforts to become more self-supporting and provide advocacy as needed. As SSA moves toward more online services, community partners could assist beneficiaries with using online services.

I've had the experience of a close working relationship with our three local SSA offices in San Mateo County, CA. Over the years our local SSA managers have helped us provide "work incentives" presentations for local SSDI/SSI beneficiaries. My experience with our SSA research demonstration project in California from 2000-05 clearly showed that working partnerships are possible and beneficial to all involved. As a trainer for CA Mental Health I provide 1-day training on SSDI/SSI general information and work rules usually with the assistance of an SSA Area Work Incentives Coordinator (AWIC). These kinds of partnerships benefit beneficiaries in many ways and bring SSA staff closer to those they serve.

Recommendation #2

Modify the SSDI "all or nothing" rule. SSDI cash benefits should gradually go down as a beneficiary's earned income goes up.

Right now if an SSDI's recipient completes his Trial Work Months (9) and earns over \$980 a month he will lose his entire SSDI check after a short grace period. Nine hundred eighty dollars a month is how we currently define "substantial work." Having one's entire check stop is a scary event for any individual who is still not sure about how much he/she can work and still manage the disability. Over the years I have seen many individuals stay below the "substantial earnings" level because they couldn't make a jump to full-time employment.

If we want to encourage SSDI beneficiaries to work as much as they can, we need to change the "all or nothing" rule. We need a rule that allows the person's monthly SSDI check to gradually go down, say \$1 for every \$2 earned, after he/she achieves our current substantial work level of \$980 a month. This approach would allow a beneficiary to test out how much he/she could work, build confidence and skills, and perhaps reach full-time employment. I still believe many individuals on SSDI can return to work and know at least 10 individuals I still see, who are completely off cash benefits and paying taxes.

I believe SSA has a demonstration project currently underway in four States to study this issue. Although I have not seen any results I would predict that a gradual reduction in SSDI benefits would lead to higher earned incomes for beneficiaries working and a decrease in SSDI paid to those beneficiaries.

Recommendation #3

Overpayments happen way too frequently to SSDI/SSI beneficiaries who are trying to go to work. They are discouraging and at times can be devastating. We need to decrease the frequency and size of overpayments.

No one likes to owe the government money. SSA overpayments cause beneficiaries to stop working and often seem unfair. Overpayments can occur for a variety of reasons, however if we just address those that occur because a beneficiary returns to work there are some specific areas to study.

If you get SSI and try to go to work you will definitely get an overpayment. The SSI "retrospective accounting" rules are designed to fail and a major reason for SSI overpayments of individuals who try working. This rule says income you earn this month will change your SSI check 2 months later. That means for earned income I have to report my pay stubs for May 2009 to SSA by June 10, 2009 so my July 2009 SSI check is correct. Imagine how many places this process can break down? If the beneficiary does not report on time or SSA staff does not input the pay information into their records on time, the July check will be wrong and probably lead to an overpayment. SSA is implementing a new "wage reporting by phone" program that may help reduce overpayments. Online reporting would probably also help but is not yet available. One other idea is for SSA to hire some part-time workers who are SSI/SSDI beneficiaries to assist in helping get reported wages quickly into the system. SSA could also look at using a 3 month window instead of a 2 month window to allow more time for wage information to be gathered and input into the system.

For SSDI beneficiaries overpayments occur when you continue to get a SSDI check after you have completed your "trial work period and grace period and are earning at a substantial level." Confused? Lou Ann's story on the first page is an example of this problem. In the announcement for these hearings you identified an April 2009 report by the SSA Inspector General that found that SSA was not acting quickly enough to terminate the benefits of SSDI beneficiaries who lose eligibility because they return to work. This occurs even if the beneficiary has informed SSA they are working. SSA needs to find a way to complete SSDI work reviews in a more timely and efficient manner. A major part of the problem is the complexity of the SSDI work rules. There should also be a time limit on how far back in time SSA can go in charging beneficiaries overpayments.

Recommendation #4

Provide adequate legal assistance for individuals dealing with post-eligibility issues, like overpayments or reduction/cessation of benefits.

Related to the issue of overpayments and cessation of benefits is the lack of adequate legal support for beneficiaries who face these problems. Most beneficiaries can't afford to pay a lawyer and few lawyers take post-eligibility cases because SSA doesn't pay anything. With initial eligibility cases lawyers can earn up to 25% of a beneficiaries past due benefits.

In our community we are lucky to have the support of an excellent attorney from our local legal aid. We haven't always had this kind of help and know it's not available to many beneficiaries.

Recommendation #5

Benefits Planning and Assistance services are crucial in helping SSI/SSDI beneficiaries return to work. We need to continue and if possible expand our Benefits Planning and Assistance services.

In our community we have a partnership between county mental health, a county vocational rehabilitation program and our State Department of Rehabilitation to help beneficiaries return to work. In the vocational program is a unit called the Financial Empowerment Project (FEP) which provides a range of services aimed at helping beneficiaries better understand their benefits, know their choices regarding the SSA work rules and better manage their finances. The beauty of this model is that FEP is part of a vocational program that supports individuals in their efforts to return to work.

FEP has a benefits peer support team made up of individuals living with a disability and many of them receiving SSDI/SSI. This model allows beneficiaries, who are working, the opportunity to assist other beneficiaries who are working, or want to work.

Most of FEP's funding comes from our county Department of Mental Health. SSA and State Departments of Rehabilitation should look at expanding their funding of benefit planning and assistance services.

Recommendation #6

Talk with those individuals who have returned to work full-time and are off cash SSI/SSDI benefits. This would be a worthwhile demonstration project.

The last time I looked, the success rate of individuals returning to work and leaving the SSDI/SSI benefit roles was less than 1%. At this very moment I can think of 10 individuals who have returned to full-time employment and no longer receive SSDI/SSI benefits. I believe studying their experiences and the recovery journey of others could help us better understand what beneficiaries need to be successful in returning to work.

Final Recommendation

If I could offer one recommendation it is *simply* the SSA “employment support” rules and programs.

As the Committee reviews SSA’s “employment support” rules and programs I would encourage you to try to find ways to simplify the rules. Currently the rules are too complex and confusing which often scares beneficiaries away from trying to work. I also believe that the complexity of the rules causes many of the overpayments beneficiaries encounter. For concurrent beneficiaries who receive both SSDI and SSI, understanding and following both sets of work rules can be an overwhelming challenge.

Again, I appreciate the opportunity to provide this statement and look forward to seeing some positive changes in the way SSA encourages and supports beneficiaries in their efforts to return to work.

Sincerely,

Joe Hennen,
MA Benefits Planning Specialist

Statement of Joe Ramirez-Forcier, Positive Resource Center

I am writing today to tell you about my experience as a Managing Director of a Vocational Services agency that assists people who have disabling HIV/AIDS to return to work. The Ticket to Work program was just implemented this year at my agency at the Positive Resource Center. Consumer acceptance of the Ticket program has been good. We have signed 45 people up in 2 months. Consumers have stated that they like the CDR protections offered by the Ticket program as well as the timely progress elements and allowing them to take or complete schooling at local colleges and universities. In San Francisco over 50 percent of the workforce has a college degree so advanced education is key in entering the workforce here in San Francisco.

The process a consumer goes through in the Ticket To Work program is also one of intention and allows the consumer to state their commitment to return to work which the consumer sees as beneficial and instills hope in the individual consumer. Although there are no startup funds for Ticket programs we are fortunate enough to have matching dollars we received in our program from other city and State workforce development funds to serve the individual. The unfortunate part is that we must compete with other local populations for these dollars and can become a nonprioritized population. Specific monies set aside as they are for youth in local Workforce Investment Boards to start and manage the vocational rehabilitation and adjustments aspects of our programming would be beneficial as these efforts are not well funded by VR agencies or by local Workforce Investment Boards.

Thanks for your time.

Joe Ramirez-Forcier,
*Managing Director, Employment Services,
Positive Resource Center*

**Statement of John M. Connelly and Joseph Dunn,
Ohio Rehabilitation Services Commission**

It could be argued that there is no greater factor in improving one’s life than the ability to work and live independently in the community. Often, people with disabilities are not given an equal opportunity to improve their lives because barriers to employment and independence are too prevalent in society. The programs adminis-

tered by the Ohio Rehabilitation Services Commission (RSC) strive to remove these barriers and partner with people with disabilities to achieve quality employment, independence, and disability determination outcomes.

RSC operates two core programs and administers several related programs benefiting Ohioans with disabilities. The core programs are: Vocational Rehabilitation (VR) and Disability Determination.

Vocational Rehabilitation (VR)

This competitive jobs training and workforce development program assists people with disabilities to obtain or retain employment. VR stands out from other employment programs because qualified rehabilitation professionals provide eligible individuals with disabilities fully individualized services that ensure effective job matching and ongoing job success, thereby strengthening the bottom line for businesses and consumers alike. The VR program is funded with a combination of State and Federal funds with a generous match ratio of nearly \$4 of Federal funds for every \$1 invested by the State (78.7% Federal funds and 21.3% State funds).

Some of the key results of Ohio's Vocational Rehabilitation efforts over the past year include the following:

- RSC successfully assisted a record 9,370 individuals into competitive employment—the 6th straight year of record performance;
- Successful VR consumers contribute to the economy and pay more than \$34 million in taxes each year; and will repay the total cost of their rehabilitation in 2–4 years;

Disability Determination

RSC's Bureau of Disability Determination (BDD) is charged with determining medical eligibility for Social Security Disability Insurance (SSDI) and Supplemental Income. BDD is proud of the service it provides to all of its customers for the Social Security Administration. This is perhaps best exemplified by the numerous awards given to the agency and its staff in recognition of meeting and exceeding the high standards of our customers. Highlighting these awards is a recent SSA Commissioner's Citation for continually meeting and exceeding performance goals. The Disability Determination program is 100% federally funded through the Social Security Administration.

Key results relating to our Disability Determination program include the following:

- 176,252 cases processed—an increase of 6,860 cases from the previous year.
- Reduced the average time for a SSDI case decision from 97 days in 2004 to 84.6 days in 2007.

The Ohio Rehabilitation Services Commission (RSC) commonly provides vocational rehabilitation services to consumers who are fully or partially supported by Social Security Administration (SSA) Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). RSC receives reimbursement for the cost of rehabilitating Social Security disability beneficiaries or recipients as long as those consumers meet certain requirements. Ohio currently places third in the Nation and first in our region in terms of the amount of reimbursement funds received. Ohio has traditionally ranked near the top as far as national rankings for SSR funds allowed. Through April of the current fiscal year, RSC has already been reimbursed with nearly \$4.4 million in funds.

Ohio has demonstrated success in working with consumers receiving SSI and SSDI and would like to submit for the record its support for the early intervention proposal known as Employment First as presented by the Council of State Administrators for Vocational Rehabilitation (CSAVR). CSAVR's concept is strong and would provide a means of both saving taxpayer money and offering prospects to people made vulnerable by the onset of a disability. This proposal for early intervention utilizes the combined expertise of the SSA and public vocational rehabilitation (VR) professionals.

In short, CSAVR's proposal would provide beneficiaries a choice of the long-term disability program or a short-term opportunity including access to cash and medical benefits, plus the help of experts in employment support for returning to work.

As it stands now, when someone applies for disability benefits, that person must demonstrate a long-term inability to work. SSDI eligibility requires the applicant to demonstrate that she/he has been unable to work for at least 5 months. Consequently, instead of encouraging a person to reenter the workforce at a time when the desire to work is still strong, current SSA rules generally reinforce an applicant's belief that work is not an option.

It is not so surprising, then, that less than ½ of 1% of beneficiaries ever leave the disability cash benefit rolls and find another job. With their long history of providing employment supports to individuals with disabilities, including people already receiving Social Security benefits, we believe that State VR programs can target a vital niche in serving the newly-disabled population.

Here is how CSAVR members envision Employment First working. Upon entering the SSA office, a disability applicant would be referred to a Social Security Rehabilitation Counselor (SSVRC). The SSVRC would do a preliminary screening to determine immediate allowance decisions. If the individual is not presumptively eligible for Social Security, the SSVRC would begin to discuss vocational options, assisting the individual in making an informed choice about participation in Employment First.

Because the applicant may have immediate need for income support, the Employment First program would offer short-term cash assistance. This would provide the applicant some time-limited income while pursuing employment. In return for immediate cash assistance and vocational services, the applicant would agree to suspend his/her SSDI application. However, it is important to note that the applicant will always have the option of reactivating the disability application or making a new application.

Additionally, the SSVRC would help the applicant to explore and apply for health care such as Medicaid and locate other supports including food stamps or community services where applicable. In States like Ohio where Medicaid buy-in is an option, this possibility would also be addressed to assure health care coverage even once an applicant returns to work.

The concept of moving the employment discussion to the front end of the disability benefits process would lead to better use of taxpayer funds as disincentives to work are removed. As mentioned previously, when a claimant applies for disability benefits he/she could spend up to 3 years of their lives convincing the Federal Government and themselves that they cannot work. If that consumer is given the option of working with the VR system the notion of "I can't work" does not come into play.

If VR services provide a successful employment outcome, the SSA benefits system would be saved the cost of adjudicating the case. Further, a significant return on the investment would be realized as the consumer becomes a taxpayer instead of a tax consumer. In Ohio alone, RSC estimates that our successful consumers paid more than \$34 million in State and Federal taxes last year.

It also ultimately reduces other human service program costs, since people with disabilities gain a greater measure of self-reliance. Tax revenues will increase as these individuals bring their new found earning power into the economy.

Integrating all available workers into the workforce, including workers with significant disabilities, will be required for employers to meet the demands of the 21st century economy. Significant numbers of large and small employers have acknowledged that hiring individuals with disabilities makes good business sense. It provides them with diverse reliable workers and access to a market of individuals with spending power, which has historically been untapped.

In closing, RSC has a long history of providing employment supports to individuals with disabilities, including those individuals on the Social Security disability programs. Increased partnership between Social Security and Vocational Rehabilitation will lead to efficiencies and help to further reduce barriers to independence for people with disabilities.

Ohio RSC and the other public VR programs are committed to providing needed services and tools to maximize employment and independence opportunities for some of our most vulnerable citizens, while also contributing to the economic well-being of the Nation.

Statement of John Riley

I honorably submit my comments for the May 19, 2009 hearing on the Social Security Administration's Employment Support Programs for Disability Beneficiaries so the Subcommittee may better formulate an informed effective strategy to improve incidence of economic disparities caused by beneficiary attempts at work reentry and the inability of the Social Security Administration (SSA) Payment Center to efficiently process reported earnings from beneficiary work activity as applied to program entitlement for cash benefits.

Recalling the experiences of more than 300 of my clients seeking counseling for reporting earnings from work activity throughout the 5 years of the Benefits Planning Assistance and Outreach (BPAO) program and the nearly 5 years of the Work

Incentive Planning and Assistance (WIPA) program, I must strongly urge the Subcommittee to recommend the implementation of the gradual reduction formula used with Supplemental Security Income (SSI) beneficiaries receiving earned income from work in determining the monthly cash benefit of an SSDI beneficiary engaged in work activity greater than Substantial Gainful Activity (SGA) after completion of the Trial Work Period. This adjustment to the current work incentive regulations for SSDI beneficiaries will enable these individuals who sincerely report earnings with due diligence to the SSA to be at less risk of a ballooning overpayment determination by SSA.

Most of my long-term rolling caseload clients who are still working or have terminated from their SSDI cash benefit due to extended work activity have experienced the psychological and emotional hardship of the SSA claiming an overpayment of entitlement payments despite the beneficiary reporting, in most cases with over diligence, to the local SSA field office and the national 1-800 switchboard. For most, the result is an extended legal arbitration with SSA and the Internal Revenue Service (IRS) due to inaccurate income tax presumptions. Many reverted back to full disability status at great financial and emotional hardship. A few still remain employed full-time, have exhausted all Medicare extended eligibility, and continue to pay on their SSA overpayment and their outstanding IRS income tax presumed from the combination of their work activity earnings and unearned income from SSDI.

The gradual reduction formula allows the SSA to be regarded as a partner in a beneficiary's quest for work reentry instead of an adversary for a possible financial attack years later. Most of my clients who have made sincere attempts at part-time or full-time work reentry have had to endure an overpayment issue of some sort with SSA. Most have said, "I should never have done this" or "I should have worked under the table," not because they ignore the benefits of continued payroll contributions to their FICA and Medicare funds and the self-esteem building value of work, but because of the debilitating and humiliating SSA interaction of an overpayment.

The smaller the overpayment amount, the easier it is for a beneficiary to financially accommodate the repayment to SSA without it sabotaging their zeal to work and create a future life of opportunity for themselves. The higher the overpayment the more a financial loss exists for and is sustained by SSA. I don't profess I know the answer to how the SSA Payment Center can be given a method or device for the capacity to accurately report earnings and fluidly process beneficiary entitlements. That will take someone with the skill of computerized financing to develop. All I can encourage the Committee to do is to acknowledge that the current system of ceasing a beneficiary's cash benefit once they earn greater than SGA after completing their Trial Work Period is an incentive for those entitled to restrict their earnings to sub-SGA levels so they do not have to grapple with the strong probability of financial hardship enacted by SSA in the form of an overpayment.

I still positively encourage beneficiaries to follow through on their desires to return to work. But I wonder how much of a disservice I am doing to them by setting them up to be abused by the SSA system later in their lives. The gradual reduction formula will work. It needs to be written into the SSA work incentive code.

Thank you for your time and consideration in this matter.

Sincerely,

John Riley,
BSW and CWIC
jjriley@mac.com

Statement of Kenneth McGill

My name is Kenneth McGill, retired from the Social Security Administration, formerly the Associate Commissioner for Employment Support Programs. I had the opportunity during my tenure at SSA to be involved in the development of the Ticket to Work and Work Incentives Improvement Act of 1999, and to manage the Agency's implementation of most of the provisions of this important piece of legislation.

I applaud the Subcommittee on Social Security for holding its May 19 hearing on several areas of concern for the continued success of Social Security's employment support programs. I am submitting the following comments for the record:

The recent regulatory changes to the Ticket to Work program hold much promise for SSA to be able to deliver a successful Ticket program as intended by the drafters of the TWWIIA of 1999. The new regulations are beginning to attract the necessary

numbers of active, engaged Employment Networks to afford disability beneficiaries choice in service provision and assistance. The potential for successful public-private partnerships under the “Partnership Plus” process is huge. And increased emphasis by SSA on recruitment of a diverse group of Employment Networks as well as outreach to beneficiaries is starting to pay off in improved participation rates.

The success of the Ticket program is dependent on much more than the specific set of rules governing Ticket eligibility, reimbursement rates, Employment Network processes and the like. That success is extremely sensitive to other major factors—the overall economy, employer attitudes, health insurance issues, and beneficiary fears and opinions about work and benefits. The vision of the Ticket to Work and Work Incentives Improvement Act of 1999 was always to work for improvements in many of these areas. The Ticket to Work was envisioned as one of several important interlocking policy and infrastructure changes. One of the most important underpinnings was the institutionalization of benefits planning in this country’s service structure. Prior to the TWWIIA, benefits planning was purely ad-hoc—funded and provided by an informal network of State and Federal grantees, private organizations, and community agencies. The TWWIIA provided for a national set of SSA-funded grantees, as well as national standards for training and procedures. The former Benefits Planning Assistance and Outreach (BPAO), now Work Incentives Planning and Assistance (WIPA) grantees have been one of the nationally-recognized success stories of TWWIIA—and their effect on the Ticket program’s success cannot be underestimated. I am concerned that once the congressionally-designated 5-year funding stream ended, that SSA did not take the necessary steps to extend and improve the funding for these valuable community resources. The uncertainty of current-level funding and the flat-line funding that has characterized the program since 2004—all have led to unnecessary uncertainty over the future of the BPAO/WIPA program—and a reduction in service to SSA beneficiaries. SSA can easily measure the direct effects of the BPAO/WIPA program on beneficiary work behaviors. The cost-effectiveness has been demonstrated—I urge the Subcommittee and the Congress to move quickly to stabilize and increase the funding for this hugely important program. Reauthorization and specific guidance to SSA for increased funding of this program should be a priority for this session of Congress.

Thank you for the opportunity to comment on these issues.

Statement of Laura L. Dawson

The purpose of this testimonial is to discuss the difficulties and successes incurred in the Ticket to Work program. There have been many pitfalls in the program and the supporting programs, the Employment Networks, Work Incentive Planning and Assistance (WIPA), Protection and Advocacy for Beneficiaries of Social Security (PABSS) program. Therefore, I have attempted to chronologically describe the benefits and some of those difficulties in order that those who follow behind me may see fewer of these.

Most importantly the communication between the duties of each of these agencies and their beneficiaries is effective in some regions more so than others. There have been occasions when one agency provides services with the assurance of a pass off into the next program, yet there is not a clear process for us, the beneficiary to follow through to completion.

My disability review was initiated June 5, 2002 by Social Security. I was informed September 20, 2002 of the permanent disability award which was retroactive to January 16, 2002. I was referred to the Ticket to Work program for retraining and employment while residing in Santa Barbara, California. From their Department of Rehabilitation, I was assisted to relocate to Nevada, and then with the assistance of the Job Coach assigned to my care, was assisted to license and locate in North Carolina.

The following is a chronological listing of assistance and difficulty encountered by myself in attempts to use Ticket to Work and your adjunctive support services as a self-employed beneficiary:

1. Disability was awarded September 2002, after a previous request by me in 1996 for help under the disability programs. With the significant impact on my income earning potential and large student loan debt, the impact took me some time to get my medical bills and records in order. This was done with the assistance of local Social Services outside of the Ticket to Work program to reestablish my credentials, while the State of California’s Department of Rehabilitation (DOR) helped me to be employed in my trained profession of alternative medicine, including nutritional education programs.

The Santa Barbara DOR helped get me part-time work for trials periods while I was in recovery since my former career was too stressful and hired a person to help me prepare a formal business plan for my newly formed company. My disability benefits were not meeting my cost of living needs even in an affordable housing complex. The counselors were advising me how to get food stamps, and other social programs to help me while I was recovering and working. The Ticket to Work program was being used to help my small business to buy paper, print cartridges, and office goods. Still it was not enough to provide me with income to pay my student loans or affordable housing. I decided that by adding my skills and tools of acupuncture to my business model I would create another income stream. My counselors helped me to relocate to Nevada where I pre-cleared licensure, so that I would not be too far from my parents and siblings.

The benefits specific to California were:

- i. Assisted by trained professional to complete a business plan.
- ii. Provided with computer training in DOR office.
- iii. Some educational costs reimbursed, including a tutorial program/partial.
- iv. Assistance with costs for national membership.
- v. License fees.
- vi. Upon relocation provided with Dell laptop for business use (still used).

While in California, I was not ever able to become independent of disability benefits using employment income for any period of time. Cost of professional continuing education and licensing, supplies, and insurance, cost and burden of documentation, made it prohibitive to earn a living wage, let alone repay a significant student loan debt.

2. The relocation to Nevada went well enough to begin with, however the program was not prepared for someone who wanted to become self-employed in acupuncture. The licensing had changed while I was in the process to reside in Nevada. My case and Ticket were assigned to a contracted agent, Larry Gilbert. He was familiar with the medical profession in Las Vegas and could help me interview to share a practice using my scientific training in nutrition. I was also sent to another agency, the Independent Living Resource Center in Las Vegas, where I wrote a PASS plan (similar to a business plan) for a counselor to use in placement.

This all was happening in the backdrop of a booming real estate bubble where social services were trying to keep up with applications for assistance that my counselor set up for utility help, food assistance, and job interviews. My counselor got me multiple interviews and several part-time jobs to hold me over and help me get to know the community of Las Vegas. After multiple failed interviews and applications, during which I kept up my skills and consulted on nutrition, my counselor suggested that I use my current credentials and relocate to a State that would accept my license. He recommended that I not share this information with anyone else until it was complete. I successfully obtained my license in two States. Indiana and North Carolina were my two picks due to the potential to grow my business through corporate insurance programs based in Indiana, and/or community needs in North Carolina.

The benefits specific to Nevada were:

- i. My case was assisted by a trained professional counselor.
- ii. My business card and brochures were printed for my company.
- iii. A luggage carrier on wheels was purchased for me to use for mobile business.
- iv. A miniature Power Point project was purchased for mobile use to present my nutritional education program.
- v. I received assistance to find programs that helped with gas, utility costs and food stamps.
- vi. My counselor helped me to get gas and plan support to relocate to North Carolina where he continued to work with me for a month or two.

3. When I arrived in North Carolina, I had already introduced myself to the acupuncture community in the area. I made contact with the NC DOR to set up an appointment for counseling and to be able to apply for a new startup small business loan. That representative was not receptive to helping me. I was told that I would have to write a new business plan and I “probably would not get a loan anyway.” With that in mind, I signed the documents to keep my Ticket to Work options open and left her office. When I phoned for the business plan names to start the process on my own, the three numbers that she gave me were either disconnected or no longer provided that service.

From that point in 2005 in North Carolina, it appeared that I would be on my own with little help or oversight. I was able to enter the acupuncture market and

served on the Association Board for a period. I treated patients, some who were able to pay for their care. There have been other patients who have chronic needs and do not make payments causing me to 'carry' the financial burden of malpractice insurance, license fees, supplies, and cost of facility to provide care. All of these costs have been absorbed by me. The NC DOR has not been willing to come forward to help with any of these costs. In fact, one of the difficult things about the lack of support is that I can not afford to receive acupuncture or any of the herbal prescriptions that are beneficial to protect me against disease.

Additionally, the health care insurance company that one of my most costly patients uses has lost the claim and informed me that acupuncture by acupuncturists was 'still under investigation,' so although she was willing to send me another claim form to complete for the patient, I would most likely not be paid.

North Carolina's Ticket to Work program when assigned to the NC DOR has not been able to help me to use my benefits under the programs here to be employed in the profession which I am trained and experienced to perform. The WIPA person was unable to help me understand my benefits and made the recommendation that I complete the contract to use my company as an Employment Network and assign my Ticket to my own company. This has not taken place.

The benefits specific to North Carolina have been:

- i. Transportation to evaluations that were required more often than prescribed.

In order to continue to work enough to cover living costs I elected to contact the Santa Barbara DOR for help. They referred me to Virginia Commonwealth University where they have programs to assist disabled self-employed people with counseling, reference, resources, forms and encouragement and have a strong online presence.

4. After receiving the printed Ticket in the mail in 2005, I attempted to assign several times. The first in 2006 to an EN in Ohio who was interested in creating franchises at my financial expense. Another to a NY EN who could not provide services as advertised on the Ticket to Work website. In the following years I contacted and interviewed three other ENs who did provide the services to help in self-employment. One had other criteria and services than was posted. The most recent one lost my contact information after I provided them with confidential company data. When I made a followup call, they asked me to visit the website and call back later. When I did, the website was gone and they have not called me. These opportunities have all failed to meet the needs my Ticket to Work is designed to fulfill: <http://www.yourtickettowork.com>. There is also concern the beneficiary data distributed to all of these ENs may need more oversight.

On a more positive note, the best resources have been referred to me by a counselor from the Santa Barbara DOR and the Las Vegas TTW program counselor. Griffin-Hammis LLC, who have literally 'written the book on disability employment,' continue to answer my calls for direct and resource sites. Virginia Commonwealth University has a department of people who continue to provide recommendations and connections to other self-employed disabled, forms for business use and referrals to advisors. CESSI employees helped me to submit my own company to contract with the SSA to serve as an Employment Network in June 2008. It was a great learning experience which has led me to formally submit other contract proposals to Federal agencies.

There are many things that have been positive about the Ticket to Work program, for which I am grateful.

It is my hope that this testimonial will help those who follow me through the Social Security programs to benefit from better interagency communication, improved inclusion of the beneficiary in communication and services, and a followup review on random beneficiary cases.

Thank you for this opportunity to help improve our government programs.

Be In Good Health.

Laura L. Dawson

**Statement of Linda Landry, Sarah Anderson, Teresa Lacava,
and Mark Bronstein**

Chairman Tanner and Members of the Subcommittee, thank you for the opportunity to provide this statement on topics of great importance to people with disabilities who seek to reduce dependence on public benefits through work. The under-

signed have long experience providing representation on Social Security matters for individuals with disabilities. The Disability Law Center (DLC) is the Protection and Advocacy agency for Massachusetts and provides free civil legal services to people with disabilities throughout Massachusetts. A key mission of the DLC is to help ensure that people with disabilities are able to access the services they need to live and work in the community. Greater Boston Legal Services (GBLS) provides civil legal services to eligible low-income clients in 23 cities and towns in eastern Massachusetts. Legal Assistance Corporation for Central Massachusetts (LACCM) is the State-funded civil legal aid program for Central Massachusetts. LACCM provides civil legal assistance to low-income and elderly residents of Worcester County. Mark Bronstein is an attorney in private practice concentrating in disability law who frequently advises and represents individuals with overpayment and work incentive issues in claims before the Social Security Administration.

We support the testimony presented by Cheryl Bates-Harris, Senior Disability Advocacy Specialist, National Disability Rights Network on behalf of the Consortium for Citizens with Disabilities Employment and Training Task Force and Social Security Task Force. We note the gains made in the Ticket to Work program under the regulations revised in 2008 and agree that the program should be reauthorized. We also urge that the funding for the important services provided through the WIPA and PABSS programs be reauthorized. We support simplification of the Title II work incentives through the Benefit Offset Demonstration project and support the health coverage access improvements noted in the testimony of Ms. Bates-Harris. These programs and projects are important supports for disability benefits recipients who want to attempt work.

What we want to emphasize with this statement is the extent to which benefit overpayments are a preventable work disincentive. We are all in-the-trenches practitioners who see a big demand for representation on overpayments of Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits from beneficiaries who have tried to work. We would rather not see these cases because they hurt beneficiaries, discourage work attempts, and harm Social Security's image as an effective, efficient agency. These work-related overpayments are often very large and the result is that beneficiaries are often terrified of making another work attempt. In our experience, most beneficiaries have reported the fact that they were working to the best of their abilities. When recipients have reported work and still amass large overpayments, they may feel punished for having tried to work. In addition, the overpayment crisis results in the word on the street being that one cannot attempt to work with incurring big problems with Social Security.

We have yet to encounter any beneficiary who adequately understood the work rules for SSDI or SSI benefits, regardless of education or type of disability. The work rules are very complex, and we can attest that it takes a considerable amount of information and training to accurately apply the work rules to specific cases. Indeed, many beneficiaries do not understand which benefit they receive, let alone which of the work rules apply to their benefits. In our experience, those recipients who are interested in trying work care less about losing cash benefits than in knowing reliably when benefits will end. Planning is very important to beneficiaries as most are low income and do not have the financial security to manage surprise decreases in income. This year the SSI Federal Benefit Rate is only \$674 per month (74.6% of current Federal poverty guidelines) and the estimated average SSDI benefit is only \$1,074 per month (109% of current Federal poverty guidelines). These benefit levels do not allow for rainy day savings.

Solving the Overpayment Problem Requires that Beneficiaries Receive Accurate and Timely Information on Reporting Requirements and Work Rules

Part of the problem is that SSA has not had sufficient staff for many years to spend the time necessary with benefit recipients to explain the work rules and reporting responsibilities, neither when benefits begin nor when recipients report work. SSA has developed some written materials to help make up for this lack of staff time. Some of these materials are helpful to those of us who have the background to understand them. But, it's difficult to explain the current work rules, and many, if not most, benefit recipients simply do not understand the terminology used in the work rules and are not able to accurately determine on their own whether they should or should not continue to receive their benefits at any particular time while working. It's simply too confusing. In addition, many claimants are functionally illiterate, have low reading comprehension levels, or are otherwise unprepared to understand the rules and terms used by Social Security.

SSA must have the resources to make sure benefit recipients have sufficient information about the relevant work rules and reporting responsibilities at relevant times. Some of this information may be presented at application, but this is at a

time when many applicants are in crisis and less able to take in complex information. It's not clear when, if ever, this information is presented or explained again in person. Beneficiaries need to understand and be regularly reminded that they can attempt work without immediate loss of cash and associated health benefits but that there is information they need to know when they are ready to attempt work. They must be invited back to Social Security or this information or Social Security must be prepared to refer them to a reliable resource (e.g., WIPA programs) for this information. In order to maximize limited staffing resources, Social Security seems to have provided special work rule training for some employees. Many of these employees are very knowledgeable and helpful, but they are too few for the need and beneficiaries and those who work with them still get work rule information from less well trained staff, resulting in inconsistencies, omissions and even errors.

In addition, beneficiaries, representative payees, and community agencies providing services to disability benefit recipients must receive accurate and consistent information about the effect of work on benefits and how and when to report work. One example of this need involves beneficiaries who incur Impairment Related Work Expenses (IRWEs), extra out of pocket expenses for disability related items and services they need in order to be able to work. The work rules allow these beneficiaries to deduct the monthly cost of IRWEs from gross earnings before the earnings reduce their benefits. Yet, many beneficiaries do not hear about this and other beneficial rules that can ease the transition to work at a time when they can take advantage of them. For example, the lack of timely information about IRWEs may mean that beneficiary does not have the necessary receipts to verify the expenses, losing the value of the IRWE deduction. Other common misconceptions include thinking that Social Security looks at net, rather than gross income, that beneficiaries receive a new trial work period with every work attempt, and that the Tick-et to Work means that the old rules about work do not apply.

Recipients must also receive accurate and timely information about when and where to report work. Common misconceptions about reporting include: (1) paying FICA on earnings is the same as reporting work; (2) reporting means responding to Social Security's requests for information; and (3) my representative payee must make all my reports to Social Security. Social Security must regularly provide simple and clear messages to beneficiaries that it is not enough for, e.g., SSI recipients to wait for the yearly eligibility review to report work. In addition, Social Security staff must stop telling beneficiaries with representative payees that only their payees can report their work. In one recent case, a young man with a developmental disability who is his own guardian kept incurring overpayments he did not understand because his payee, a community organization, did not report his work. When he had tried to report work on his own he was sent away and told that his payee had to make the report. The lawyer who was helping him with an overpayment insisted that he had the right to make the work reports and that he must do this, but he was afraid to return to his local Social Security office. Finally his lawyer made an appointment to go with him and arranged for him to have pre-addressed envelopes in which to submit his monthly pay stubs to Social Security. This was a great result but it should not have taken a lawyer to work this out for this young man. Social Security should make it easy for all recipients to report work.

Beneficiaries who report work now receive a receipt to show that the report was made and notations seem to reliably be made in the individual files. This is a great improvement, but more needs to be done. When beneficiaries come in to report work, that's a great time to take the opportunity to make sure that they understand the work rules relevant to their benefit or refer them to, e.g., their WIPA program. We believe that more beneficiaries will feel comfortable attempting work if they feel welcomed when they report work and are provided with accurate and timely information on which they can rely. The final piece is that Social Security must make timely benefit adjustments and provide accurate notices to reduce overpayments.

Solving the Overpayment Problem Requires that Social Security Have Sufficient Staff To Work in a Timely Manner on Post-Entitlement Matters, Including Reports of Work

Social Security must have the resources to respond to reports of work with timely and appropriate adjustments of benefits. Anything else feels arbitrary and capricious, creates overpayments and discourages work. Most beneficiaries do not understand what should happen to their benefits and when. They rely on Social Security to do its job to make the adjustments if they have done theirs by reporting. Social Security must also immediately solve the completely preventable problem that arises when local Social Security offices are organized so that some employees work only on SSI and others work only on Title II. We have all seen overpayment cases where a beneficiary has reported work, only to find out much later when the large

overpayment notice arrives that only the SSI worker or only the SSDI worker received the work report. Social Security must either clearly tell recipients to whom they must report and when or make sure that reports of work are forwarded to all relevant workers for benefit adjustment.

Title II overpayments are often the largest and the hardest to deal with, in part because of the complexity of the work rules. In addition, these cases seem to be handled by special cadres or in the Payment Centers. It is our experience that cases seem to sit in these places for a long time and that it is impossible to communicate with or get any information from these places. Indeed, local Social Security staff have told us the same thing.

Finally, Social Security notices do not explain the work rules well and generally lack sufficient information to determine the reason for a change in benefits or the cause of overpayments. Payment Center notices and Title II work related overpayment notices are especially bad. We are pleased to note that Social Security also recognizes that its notices need improvement and has already begun working on solutions. Social Security must have the resources to continue this work.

Examples of Why Social Security Needs Resources To Do Timely Post-Entitlement Work

The following are examples of cases we have seen where overpayments and disruption to beneficiaries could have been prevented or reduced.

Mary, a recipient of SSDI, went to her local Social Security office to report work about 2 weeks after finding a job. She did not understand all the ins and outs of the trial work period, extended period of eligibility and substantial gainful activity, but she did know that it was important that Social Security know that she was attempting to work. Local office staff told her that the report would be logged in and she would be contacted. When she did not hear anything, she called the 800 number. The person to whom she spoke said there was no record that she had reported work and sent her a Work Activity Report form to complete. Mary completed the form and took it to her local Social Security office. She heard nothing further until she received a Notice of Change in Payment, which said that her SSDI benefits were increasing due to her earnings. She believed that this notice meant that Social Security knew she was working and that she was entitled to the benefits she continued to receive. Unfortunately for Mary, she did not know that this notice was from a part of Social Security that updates primary insurance amounts and not from those that are charged with deciding when work should result in stopping her benefits. Mary did not learn this until she received notice that she had been overpaid \$14,000 and contacted a legal aid lawyer. She is no longer working.

Walter, an SSDI recipient with psychiatric disabilities, started attempting work after receiving benefits for 3 years. He worked part-time sporadically, very occasionally exceeding the substantial gainful activity level by small amounts, due to his disability, and there is no dispute that he reported his work attempts. He also had no accurate understanding as to how the trial work period and extended period of eligibility worked or applied to his earnings. One day, Walter received a notice terminating his benefits retroactively to a month 6 years prior and a notice that he had been overpaid \$115,000. It turned out that Walter had earnings just over the substantial gainful activity level in that 1 month, which was after the end of his extended period of eligibility. This meant that, despite his reports of work and unbeknownst to him, he had not been entitled to any of the benefits he had received since that month 6 years earlier. This caused Walter extreme stress and his psychiatric status still has not returned to the level he had achieved prior to receiving the overpayment notice. He is currently unable to work.

June became eligible for SSI and SSDI in the early 1990s due to a combination of psychiatric disabilities, including a Personality Disorder. She was a young person then and made a number of work attempts. There is no record that she reported her work attempts and June herself no longer remembers. However, the record does show that, in early 1998, Social Security asked her for information about wages posted to her earnings record. The notice stated that Social Security was checking to see whether she was still eligible for benefits. She provided the information and did not hear from Social Security again until 2003, again asking about her work. Again she responded. She next heard from Social Security in 2005, again asking about work. Again she responded. Finally, in 2008, she received notice from Social Security stating that her extended period of eligibility had ended in September 1996 and that she had been overpaid \$90,000. Social Security recently completed a continuing disability review finding that she continues to meet the medical disability standard. She is not working.

George became eligible for SSDI in 1995 due to psychiatric disabilities. Four years later he felt stable enough to attempt part-time work. He is well educated, knew

he knew he had to report, and asked questions about the ongoing effect of work on benefit eligibility. He worked part-time on and off as his condition permitted and reported the stopping and starting of work at his local Social Security office. Each time he says he was told that his part-time work would not affect his benefits. In 2003, he reported that he was going full time, but the full time work proved too much and he experienced an exacerbation of his condition, stopping work after only 5 months. Then, in 2004, he received notice that he had been overpaid \$56,000 (almost 3 years worth of benefits) and was determined at fault for not reporting his work attempts. The decision ignored the frequent communications with his local office whenever his work status changed and also failed to give him the benefit of the IRWE rules. At his own expense he has had to engage an attorney to appeal the decision. The experience has been extremely troubling to George and he now is reticent about returning to any work for fear of triggering more problems with his benefits.

In conclusion, we understand that recipients who work will necessarily be overpaid because it is currently impossible for Social Security to pay the correct benefit in each month. However, recipients must be informed of this and must know how to reduce overpayments through reporting and understanding the relevant work rules. Social Security must have the resources to make sure that recipients understand when and how to report and understand how the work rules apply to their benefits. Finally, Social Security must have the resources to timely respond to reports of work by making timely adjustments of benefits. We urge you to help ensure this result.

Thank you very much for this opportunity to provide this testimony.

Respectfully submitted,

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Statement of Marion Moore

As a mental health advocate I see many people who are excited about returning to work and others who have returned unsuccessfully and now have to make payment to SSA for 30 years or more. It seems apparent to me that the Committee understands and is reaching out to these two groups. There is a third group which I believe it is important to address—people who prefer to stay in the workforce rather than go on Social Security.

I see a large number of people who take pride in their employment yet cannot access mental health treatment. Receiving early and timely treatment can prevent disability. As you may know the number of people with a mental illness has increased as a percentage of the total number of people collecting disability payments. If we recognize that some disabling illnesses are nonlinear and may be preventable, perhaps the rate of people on disability would level off.

Obviously a good community mental health system or universal coverage would also help but I believe that it is the responsibility of the SSA and the Committee to show the American public that they are aware of this situation and are advocating for change.

Sincerely,

Marion Moore, *President*

Statement of Paralyzed Veterans of America

Paralyzed Veterans of America (PVA) is pleased to submit these comments on the Social Security Administration's (SSA) employment support programs for disability beneficiaries, with particular focus on the Ticket to Work program (TTW) authorized under P.L. 106-170. PVA is the only congressionally-chartered veterans' service organization exclusively dedicated to serving veterans with spinal cord injuries and/or dysfunction.

Background on PVA Vocational Rehabilitation Program

Most studies on vocational adjustment for persons with spinal cord injury and/or dysfunction (SCI/SCD) report relatively low rates of employment. PVA estimates that 85% of veterans with SCI/SCD are unemployed. The employment rate for veterans with SCI/SCD not only lags behind the general population, but also falls short when compared to the greater population of veterans with disabilities.

To address this dire situation, in 2007, PVA launched a vocational rehabilitation (VR) program under its Veterans Benefits Department (VBD) to serve veterans with severe disabilities, service-connected and non-service-connected. PVA's first VR counselor is himself a veteran with a spinal cord injury who personally understands the unique challenges faced by veterans with this condition. He also has access to PVA's nationwide network of National Service Officers and chapters who can provide additional referral resources, peer counseling and troubleshooting.

Working with the Richmond, Virginia Veterans Administration medical center (VAMC) rehabilitation personnel, PVA's counselor seeks to introduce employment expectations into the achievement of medical rehabilitation goals. He contacts each new case of a veteran with SCI or SCD admitted to the center, follows up with them every 6 months to ascertain their interest in employment and at 18 to 24 months post injury, increases those contacts to every 3 months.

His case management includes referral to service providers, regular communication with the client, mentoring by working veterans with SCI/D and extended followup once employment is attained. He has developed relationships with several hundred employers around the country, educating them on working with employees with these disabilities and following up with those that hire a veteran to respond to any questions or problems that arise.

There are a number of advantages in the approach being taken by the PVA VR program. One key is early intervention. Many PVA members have long criticized the fact that they received little to no information about the possibility of returning to work as they went through medical rehabilitation. For many, it was months or even years after they left the VA medical center's SCI unit before they heard about the VA vocational rehabilitation and employment program (VR&E). The collocation of PVA counselors within the VA medical facility allows them to begin the conversation about employment with injured veterans at the start of their medical rehabilitation.

Second, because the funding for PVA's program is private and dependent on corporate largesse, this forces the PVA counselors to utilize existing resources from all aspects of the rehabilitation field. These counselors can then serve as a liaison for the veteran client between community rehabilitation programs, State VR or VA VR&E depending on the veteran's particular situation. Recognizing the value of this program, Virginia's Department of Rehabilitative Services assigned its own liaison to our Richmond program and sponsors joint job clubs each week.

Third, PVA's program is more flexible than many government programs. To enter a State VR or VA VR&E program, a person must undergo a long, complex application and eligibility determination process. If a veteran comes to the PVA program, all he/she needs is a power of attorney. Our counselors can begin serving them with vocational support while helping them begin the admission process to State VR or VR&E. While those formal applications are moving through the bureaucracy, PVA counselors can still work with the veteran. And if a veteran wants immediate employment, the PVA counselors can assist with that without having to take them through the formal eligibility determination processes of VR and VR&E.

Beyond Richmond, Virginia, the program today has offices in Minneapolis, Minnesota and San Antonio, Texas. PVA has plans to open a fourth Vocational Rehabilitation Services office in Long Beach, California in the near future. Since its inception, PVA's VR program has served 324 veterans with severe disabilities and placed 50 in an employed status, with most of them being full time. Average annual salary exceeds \$38,000.

PVA Becomes an Employment Network

In 2007, PVA met with officials of SSA to discuss the possibility of its VR program becoming an employment network (EN) with the SSA Ticket to Work program.

Since most veteran clients of PVA are also recipients of Social Security Disability Insurance (SSDI), it made sense to explore the merits of the Ticket program and how it might benefit PVA's VR efforts. Because the regulations were in flux at the time, PVA held off on applying to become an EN until the regulations were finalized. In October 2008, PVA became an employment network with the Ticket to Work program.

PVA is still very new to the TTW process and is currently serving seven ticket-holders. We have not yet reached the point where we have made payment requests and thus cannot comment on that part of the EN experience. However, we can offer the following observations on our experience in applying to become an EN in the hope that some of the stumbling blocks we encountered can be alleviated for other VR providers.

Completing the contract to become an EN is not an easy process. The management of PVA's VR program has suggested that applying to become an EN might work better if it is a grant process, rather than a contract process. CESSI—the contractor hired by SSA to deliver outreach services and supports to prospective ENs—proved to be very helpful to PVA's VR program. CESSI staff provided very good training and their consultants were able to answer questions in a thorough and timely manner. Unfortunately, prior to engaging CESSI, the assistance provided by SSA on completing the EN contract was inconsistent at best.

As noted above, PVA is currently serving seven ticketholders that are working under individual work plans [IWPs] developed by our counselors and approved by SSA. The TTW work approval process is very labor intensive and time-consuming on the part of PVA's VR counselors. To see if a veteran is a valid ticketholder and to determine if an IWP is approved, the counselors are asked to fax and/or email at least twice for each ticketholder and more times if any changes to the IWP are needed. The counselors also often need to follow up with phone calls to SSA to check on approvals. At the request of SSA, PVA has had to change its approved IWP template three times since its first version was approved. Bear in mind that PVA's Ticket program has only been in operation for a little over 7 months. Most of the changes involved adding statements to the work plan. This has caused a lot of frustration on the part of our VR counselors who have had signed plans returned from SSA with new requirements for additional statements from the client to be added to the IWP. This compels our counselors to redo the work plan and obtain new signatures from our veteran clients who do not always reside close to the counselors' offices. Moreover, PVA's counselors have expressed concern that SSA has added so many required statements to the IWP, that it may be overwhelming to some of the veterans with whom they work.

In addition, in order to make the employment plan templates more accessible to our VR counselors, PVA downloaded the template onto the PVA website portal. Whenever SSA changes the requirements for the employment plan, PVA's information technology department must take the form off the portal and make the changes. This creates a lot of redundant effort for PVA's IT department and VR staff.

To date, VBD estimates that the PVA VR program has spent 50 staff hours working on TTW and without any funds coming in to offset these costs. There is concern among the VR program management that the work to support the Ticket process will outweigh the benefit of the funding.

As noted in our earlier description of PVA's VR program, one of its advantages is the greater flexibility it has than many government programs. PVA can serve veterans with disabilities without becoming mired in government red tape. A major goal of PVA's Vocational Rehabilitation Services program is to reduce the administrative burden on the counselors as much as possible to help improve our vocational services and outcomes. If serving these veterans through Ticket to Work becomes excessively burdensome, PVA may need to reconsider its participation in the program.

Thank you for the Committee's interest in the Ticket to Work program and attention to PVA's concerns. We would be happy to answer any additional questions that the Committee may have.

Statement of Paula Vieillet, Employment Options

My name is Paula Vieillet and I am the CEO of Employment Options, Inc. I personally have been involved in the Ticket to Work program since 2002. I started providing TTW services as an addition to my work as a certified vocational evaluator. I am particularly good at job placement and the ticket appeared to provide a great residual income stream and provide just the kind of opportunity that entrepreneurs

in the true spirit of America need. It has not been an easy journey financially, but very rewarding. Helping disabled individuals see their vocational potential and go to work is a great feeling. Over 200 ticketholders have returned to work through my Employment Options Employment Network.

We had a difficult time financially with the extremely low reimbursement rates prior to the new regulations of July 2008. To illustrate this, in 2006, we signed up 103 ticketholders and 41 of our ticketholders went to work. We screened, counseled and provided professional, practical and moral support to hundreds of ticketholders without any guarantee of ever being compensated. My staff and I put in countless volunteer hours as we believe in the mission of the Ticket program. Being outcome based, until a person is working, getting paid and submitting paystubs to us and SSA, Employment Networks are not paid a penny. At the end of 2006 we had lost money on the Ticket program. Our total TTW earnings of \$69,000 just didn't cover our costs.

Since the new regulations went into effect, we have become a profitable and booming business.

EARNINGS VALIDATION

There remain some glitches in the program; payments continue to come in very slowly. SSA has been most responsive, but the payment process is cumbersome and presents our biggest obstacle to continued growth and sustainability. Our clients who work and who are no longer receiving cash benefits, do not understand and resent having to send their paystubs to EN's and the SSA. Many times, we lose contact with a client over this issue and more than once, a ticketholder's job has been jeopardized by attempts to collect paystubs from the employer.

We coach our clients to find jobs within their abilities and that the ADA protects them from disclosing their disability to a prospective employer. Most of our clients' employers do NOT know that their new employee is a Social Security recipient and our ticketholders do NOT need or want to disclose this information to them.

The requirement that ticketholders submit evidence of earnings once the ticketholders' cash benefits have been suspended burdens both EN's and the SSA. With a reduction in workload created by these reporting requirements, SSA staff would have more time to ensure that payments are stopped once the 9-month trial work period is completed. Assuming that a ticketholder continues to work instead of chasing paystubs would reduce overpayments to Social Security recipients.

It still remains the Social Security recipients' responsibility to report changes in work activity if they want their payments to start back up after an unsuccessful work attempt. A SSA recipient will be sure to call the SSA if their check did not arrive as expected. Overpayments to EN's can be easily recovered by deducting overpayments from subsequent payments.

UNDERSTANDING BENEFITS STILL BARRIER TO EMPLOYMENT

What continues to be a major barrier to employment is that most ticketholders do not understand how their benefits will be affected if they return to work. We do refer people to the WIPA's for help, but often the wait time is excessive. No matter how many times we explain the trial work period, it still helps to have an official from SSA confirm how this program works. Our experience with the PASS program is similar. Both of these programs, in my opinion, provide much needed services to disability recipients but caseworkers seem to have more requests for help than they can reasonably handle.

WHY THE TICKET TO WORK PROGRAM SHOULD CONTINUE

The Ticket to Work program is a great program and should continue. EN's across the United States volunteer their time and resources to ticketholders without any guarantee of ever being compensated.

We estimate that for every person who returns to full-time employment the Social Security Administration no longer has to pay out \$700.00+ a month saving our country millions of dollars. In my experience, people who return to work also utilize less medical services, mental and physical; generating another 'hidden cost savings.'

EFFECTS OF NEW REGULATIONS

According to SSA, 2009 statistics reveal a huge increase in the number of tickets being accepted and a whole new slew of EN's ranging from traditional providers, VR and nonprofit agencies to employers, staffing services, private rehabilitation counselors and schools. This diversity of providers is the intent of the Ticket to Work program and it is succeeding in reducing the number of beneficiaries receiving SSI, SSDI and Medicare benefits. The TTW program just needs more time to prove itself.

DISABILITY CAN HAPPEN TO ANYONE

I am often asked what a ticketholder looks like. I then hold up a mirror. Illness and disability can and does affect persons from all walks of life. With the help of the Ticket to Work program, people who have lost their health, jobs and financial stability can reenter the workplace and become productive and self-sufficient. I thank the U.S. Ways and Means Social Security Subcommittee for your efforts and our opportunity to be of service to our country.

Statement of Peter Kierpiec

I have, for your consideration, a suggestion to improve the Social Security Disability programs. My suggestion would require *changes* to the Social Security Act (Act) concerning disability beneficiaries' work after the Social Security Administration (SSA), i.e., the Commissioner, awards benefits.

I believe the suggestions will please beneficiaries and their advocates and taxpayers. I believe the suggested amendments to the Act will save SSA resources, including thousands of work years, and allow SSA to divert those resources to other workloads (e.g., serving all beneficiaries, processing disability and aged benefits applications, and actions on awarded claims) more timely and efficiently. It will save administrative and program dollars.

The suggestion will make Social Security Disability programs much easier for claimants, beneficiaries, and SSA employees to understand. This, in turn, will make the programs much easier to administer and much more efficacious to automate. At the same time, the suggestion will provide disability advocates, disability beneficiaries, and their caregivers something that they have desired for years, a safety net on which disability beneficiaries may rely and can understand. The suggestion will reduce or eliminate the work years needed to conduct continuing disability reviews (CDRs), and it will so simplify the processes that SSA will be able to automate work that currently requires thousands of work years to process.

I believe my suggestion will save millions of program and administrative dollars! (OK, I am being redundant, but to emphasize the points.)

The *three integral pieces of the suggestion are as follows*, and the three must occur together to achieve the outcomes and savings described above:

- (1) Once the Commissioner awards benefits based on disability (including blindness) to an applicant, the beneficiary's disability benefits shall continue until the individual:
 - (a) Shows medical recovery to the extent necessary to perform substantial gainful activity (SGA).—[This is consistent with existing provisions under the Act; disability benefits end when as a result of a medical continuing disability review, SSA finds the individual's condition improved, based on the medical improvement review standard (MIRS).]; or
 - (b) Attains 65 or full retirement age (whichever is later).—[This is according to existing provisions under the Act.]; or
 - (c) Dies.—[This also is according to existing law.]

NOTE: Section (1) above means that a beneficiary's disability benefits will not end even because s/he worked and performed SGA, with one exception. The exception applies if the individual returned to SGA within 12 months of disability onset. [This is consistent with existing provisions under the Act.] That is, if SSA issues a disability award notice to an individual, and SSA later learns that the individual returned to work within 12 months of disability onset, then SSA must reopen the award decision and deny the claim.

NOTE: Implementing item (1) above, would be a cost if items (2) and (3) below are not included in the amendments to the Act, and items (1) and (2), above, are the sweetener for item (3) below.

- (2) For any work and earnings over a certain limit (the amount and language to be determined and provided by SSA's Office of the Actuary and Office of the General Counsel, respectively), apply a reduction to the monthly disability benefits by 1 dollar for every "X" dollars over the "earnings limit." SSA's Office of the Actuary would determine the amount of the benefit reduction (e.g., 1 dollar for every \$1.50, \$2, \$3, or other ("Y") dollar amount over the "earnings limit.")
 - (a) If an individual earns so much as to result in reducing his/her cash benefits to zero for a month, then the beneficiary will receive no (will not be due) cash benefits for that month, and if the beneficiary is entitled to Medicare, the beneficiary would have to pay the full Medicare premium for that month.

- (b) If an individual's earnings for a month would not reduce his/her cash benefits to zero for a month and the beneficiary is entitled to Medicare, then the beneficiary must pay the balance due for his/her Medicare premiums, after SSA first uses any cash benefits due the beneficiary for that month to pay or reduce the amount of the individual beneficiary's Medicare premiums.

NOTE: This "earnings limit test" for disability beneficiaries would work and function much like the annual earnings (or retirement) test worked under the Retirement and Survivors Insurance program. For example, disability beneficiaries who return to work would estimate their earnings for a given calendar year at the beginning of that year (or as soon as they return to work in a year for the remainder of that year). SSA would withhold benefits, if necessary, based on such an estimate. Final accounting for a given year would occur when the disability insurance beneficiaries submit their true earnings report for a calendar year by April 15 of the following calendar year.

NOTE: Implementing item (2) above, may be a cost, if item (3) below is not included in the changes.

- (3) Eliminate ALL work incentives, which are essentially adjustments to income to mollify the SGA earnings limit, because SGA would no longer be a factor in determining if entitlement disability insurance benefits continue. The new "earnings limit" and cash benefit reduction would take the place of all work incentives, including the Ticket to Work. This would make the disability programs, under Title II and Title XVI of the Act, simpler for claimants and beneficiaries to understand and for SSA to explain, administer, and automate.

Eliminate all work incentives, including:

- The trial work period and trial work period month earnings limit (Title II).
- Impairment-related work expenses earnings reduction (Titles II and XVI).
- Blind work expenses earnings reduction (Title XVI).
- SGA as a CDR earnings test (Title II).
- Subsidy and special conditions earnings reduction.
- Expedited reinstatement.
- Ticket to Work, including contracts to employment networks, cooperative agreements with work incentives planning and assistance organizations, and other grants and contracts (Titles II and XVI).

The existing disability work incentives are difficult for SSA personnel and others to understand and for SSA to explain. As a result, beneficiaries do not often use the work incentives. And when beneficiaries do use them, SSA spends many man-hours and work years verifying the work incentive(s) and determining the amount of the benefit of the work incentive(s) to the beneficiary.

The Ticket to Work Program has not ever and is not working. The SSA fully implemented the Ticket to Work Program nationwide in 2004, during a time of supposed American prosperity. Yet, no more beneficiaries, in statistically significant percentages or numbers, return to work or work for the first time under the Ticket to Work Program than prior to its implementation in 2002.

The Federal Government could save millions in disability Trust Fund and general fund program and administrative dollars eliminating the Ticket to Work Program. If a program similar to the Ticket to Work should exist anywhere, it should exist in either the Department of Labor or the Rehabilitation Services Administration. However, I repeat the numbers show after almost 10 years the Ticket to Work Program is not working.

Titles II and XVI would be and would appear more similar in ways SSA would handle disability work issues after SSA awards disability benefits, making the programs easier to explain, administer, and for the public to understand.

Disability beneficiaries, their caregivers, and advocates would celebrate enactment and implementation of the above changes. This would give them what they have desired and have been requesting for decades, a dependable safety net of medical insurance and cash benefits, when it is required.

These changes would have to be marketed to disability beneficiaries, their advocates, and the public to ensure everyone understands that the new earnings limit and benefit reduction factor (reduce monthly cash benefit by \$1 for \$X over the earnings limit).

Thank you for your consideration of my suggestion. I understand the hard work Congress must perform to assist our economic recovery and in the near future to balance the budget.

Peter Kierpiec

Statement of Randall Bosin

In the press release for the hearing Chairman Tanner says, "Of course, the ultimate measure of success will be whether more individuals are able to return to work and end their receipt of benefits as a result of the Ticket and SSA's other employment support programs." And with this statement we have the central problem with the Ticket to Work Program—the conflict between Congress' goal of moving beneficiaries off benefits and the impracticality and inadvisability of giving up benefits for work for the vast majority of beneficiaries. In other words, the interests of Congress to save the Social Security Trust Fund money is fundamentally at odds with the economic and other interests of the vast majority of SSDI and SSI recipients such as myself. Hence the predictable failure of the Ticket Program to date in helping significant numbers of beneficiaries work AND go off disability benefits.

Therefore, the first thing that is needed is for Congress to reexamine and modify the (its) purpose of the Ticket Program and other work incentives to be: Enabling the maximum number of beneficiaries to work and earn the maximum amount they can, **WHETHER OR NOT THEY REMAIN ON THE DISABILITY ROLES**. Enabling and facilitating a much higher percentage of beneficiaries working at all or increasing their earnings (or profits from self-employment) rather than moving a tiny fraction of beneficiaries off of benefits entirely (as anticipated by "the experts" when the Ticket Program was developed) would (a) benefit far more beneficiaries and (b) may well generate greater total savings, at least to the Social Security Trust Fund. If it is now the Administration's position that we must move to universal health care coverage, even the goal of trying to eventually move beneficiaries out of Medicare or Medicaid coverage doesn't make sense. After all, these are among those who are likely to have the greatest need for ongoing health care coverage and treatment for disability-related medical issues.

Beyond changing the very purpose of the misleadingly advertised Ticket Program, there are other obvious and more basic and important changes needed in the other work incentives and policies related to beneficiaries who work. These include:

1. Raising the earned and unearned income exclusions (which have never been raised and thus never adjusted for inflation).
2. Removing the SSDI cash-cliff and substituting a gradual decrease in SSDI benefits with increased earnings. (I suggest counting 1 dollar for every 4 earned, **AFTER** excluding the first \$400 to \$500 of earnings).
3. Making continuation of Medicare or Medicaid a noncontingent guarantee, certainly at least with respect to any disability-related health care costs. Any form of contingency—be it based on income, assets, whether the employer provides insurance, disability status, etc.—will not, and should not, be trusted by beneficiaries, due to the complexity and unanticipated consequences of changing circumstances. Beneficiaries have fluctuations and relapses related to their disability and ability to work or work significantly. Jobs change or drop health care. Beneficiaries' income and/or assets change. Making needed health care contingent on these or ANY factors is nonsensical. The only thing that both makes sense and is fair and ethical is to provide needed health care to disabled persons, period; not contingent on any other factor or circumstance.

I could go on with other suggestions, but will just give one more for now: It is imperative for Congress and other policymakers to seek out and hear from long-standing beneficiaries such as myself, who have the true expertise of experience, and not just with the disability programs, but of the totality of the impact on Federal, State, county and other benefits, programs, services and eligibilities that working, working more or increasing one's earnings or assets can have. From my observation at Social Security meetings, the "experts" on Social Security rarely have much awareness, let alone the comprehensive perspective of, the effect on the individual beneficiary who is often simultaneously dealing with various other governmental and private programs, each with their own rules, ways of counting income, criteria, etc.

In fact, this leads to one final recommendation, albeit one that goes beyond the purview of this Subcommittee: The imperative to establish a high-level Federal department of disabilities, with the statutory authority to coordinate all the various Federal policies and programs which disabled persons typically and frequently interact with.

Thank you for considering my suggestions.

Randall Bosin,
Chevy Chase, Maryland
SSDI and SSI beneficiary and disability advocate

Statement of Robert Wittmer

During the hearing there were positive and negative statements made about the current Ticket to Work Programs under the Social Security Administration, specifically the employment support programs: The Protection and Advocacy for Beneficiaries of Social Security (PABSS) program, which provides advocacy services for beneficiaries who are attempting to work; and, the Work Incentives Planning and Assistance (WIPA) program. Our organizations, Austin Area Mental Health Consumers, Inc., Return to Work Program has been attentive and has attempted to access these programs with updates obtained through teleconferences and webinars. WIPA program has been helpful, although we have not been able to fully implement this program in our core: Texas Austin-Travis Mental Health Mental Retardation (MHMR) funded for clients and Texas Department of Assistive Rehabilitative Services. This program was created to help beneficiaries navigate Social Security's complex maze of work incentive policies; also, we recognize the overburdened SSA field office staff are often not able to provide the indepth, one-on-one assistance to beneficiaries, therefore we are able to facilitate and bridge the gap. We understand the need to fully inform clients about work incentives and some effects that working would have on their benefits including well-being. Work is used as therapy for many of our clients. Under the WIPA program, this critical personalized assistance is provided by community-based organizations, such as Austin Area Mental Health Consumer's, with funding from SSA. Since this is a new component of our program our success rate has been flat, about 5%.

Statement of Stephen J. Mitchell, Unum and Lara Heal

Unum and its employees thank you for the opportunity to discuss the importance of providing timely, high quality return-to-work services to disabled individuals with the goal of successfully reintegrating them into the workforce. Unum believes that many of the tools which it uses to accomplish this goal may offer some guidance to the Social Security Administration as it addresses return-to-work efforts on behalf of its own disability claimants.

About Unum

Unum is a market leader in disability, group life, long-term care and voluntary benefits insurance. Unum has been the number one group long-term disability carrier in the United States for 32 consecutive years, providing benefits to 42% of Fortune 500 companies.

Our companies protect more than 25 million hard-working people and their families. We process more than 400,000 claims every year, and we pay our insureds more than \$6 billion in benefits annually. As an industry leader, Unum also offers its insureds significant experience and resources to support their return-to-work efforts.

Unum's insureds appreciate the high quality services and support they receive from the company. Based on our recent national survey results:

- 98% of our customers are likely to recommend Unum to others.
- 94% of employers give our customer service team positive marks.
- 9 out of 10 claimants say their claims were handled favorably.

Disability Insurance Provides a Financial Safety Net

Economic times are tough. American's savings rates have dropped to historic lows. This creates a degree of financial vulnerability that means the majority of the workforce is unprepared for the potentially catastrophic expenses that come with injury or illness. There are also likely to be fewer jobs to return to as claimants try to reintegrate into the workforce after a period of disability.

Many people are asking themselves:

- Can my family survive financially if I have a serious illness?
- If I am hurt, will it hurt my bank account, too?
- What would my family do without my income?
- Do I have benefits that could offer return-to-work assistance or financial help for me and my family if I could not work for a period of time?

Most people who do not have disability coverage would need to draw down savings, borrow from credit cards, or ask friends or family to help support them, according to a recent study commissioned by Unum through Harris Interactive entitled *Consumer Attitudes about Financial Products: Research Across the Generations*.

With these pressing issues facing working people and their families in today's economy, private disability insurance provides a critical safety net that ensures beneficiaries have the financial resources to meet their needs as well as advocates to help them successfully reenter the workforce.

Disability benefit payments provide a financial bridge between the time when someone leaves work due to sickness or injury and the point they are able to return to the workforce. Private disability insurance covers many people who do not qualify for Social Security benefits, and supplements those benefits for those who do. Private disability insurance enables sick or injured people to buy food, pay their mortgages and pay other bills while they are out of work due to illness or injury.

More importantly, private insurers like Unum also help people return to work while paying them a benefit.

Vocational Return-To-Work Programs

Unum believes that the services the private sector provides to assist individuals in their return to work efforts are an important and significant element of our offerings. The safety net the private sector provides extends far beyond simply providing a benefit check to people.

As you heard in prior testimony, people want to work, not only for economic reasons, but in order to be contributing members of our society. Unum's programs help people achieve this goal, while at the same time helping the government conserve scarce resources that are needed for people who do not have the ability to rejoin the workforce.

While there are many facets to enabling individuals to return to work, the focus of our testimony is on four elements.

These key components to successful return to work are all familiar to you based on the testimony you have heard from others and we would like to focus on how they could assist the public sector as viewed through the prism of the private sector. They include:

- Creating incentives for individuals to return to work;
- Developing relationships with individuals that help identify and create opportunities in alignment with their situation;
- Providing high quality services through knowledgeable and credentialed staff; and
- Partnering with the individuals and employers.

Incentives

As others have testified before this Committee, an important element of facilitating a successful return to the workplace is to eliminate barriers and potential financial disincentives for the individual to return to work. Many of our products are designed to reduce or eliminate these barriers. Some of the relevant provisions are standard in our products, while others are options an employer can offer to its employees.

A large proportion of disability insurance is provided as an employer sponsored benefit. In other words, the employer provides the venue for an employee to purchase the coverage, or even purchases protection directly for its workers. Disability insurance is a discretionary benefit that employers can choose to make available, often at an additional cost to their own bottom line.

A significant provision in our offerings provides that an individual who returns to work in partial capacity may earn up to 100% of his pre-disability income for a fixed period after his return to work without a reduction in his disability benefit. This provision therefore removes any early financial disincentives for an individual to return to employment. Further, a provision for recurrent disability in the offerings assures that an individual who attempts to return to work, but finds he must leave employment due to the same cause, is not penalized by having to satisfy another waiting period before benefits resume.

These provisions are similar to concepts discussed in other testimony before the Committee that the public sector utilizes or is considering for use. The difference is that the private sector has invested substantial capital and honed techniques over many years in order to determine the most efficient way to assist insureds without placing undue burdens or disincentives on their return to work efforts.

Other provisions in our offerings are designed to support participation in rehabilitation programs. These include additional benefits for participation in a tailored rehabilitation plan, and benefits that reimburse expenses related to child care. Also available are additional benefits that assist with secondary education costs or funds to meet expenses associated with continuation of medical coverage.

Product design also allows for monies to be available for worksite accommodation. This can reduce the financial burden either on the individual or the employer be-

cause we can provide adaptive devices and consultation around accommodations that may be necessary to return a person to the workplace.

Relationships

Our claim specialists develop relationships with individual insureds to help them explore their motivations, interests and goals. The insured and the claim specialist work together to ensure that all pertinent medical and vocational information is properly documented. The relationship developed between the claim specialist and the insured, and the data collected, allow the claim specialist to identify and work with those individuals who want to benefit from a Unum vocational service based on the individual's future plans.

If both parties agree to utilize vocational services, the relationship will continue as the individual works with one of our vocational professionals, who will also often have significant contact with them and work with them in programs discussed below.

Staff and Services

There are many barriers to a successful return to work that must be overcome. A critical element of helping an individual successfully return to work is providing high quality services by well-trained professionals. These services take place in the context of an individually tailored program to meet the insured's needs and goals, and are backed by robust internal policies, procedures and quality review programs.

Unum Vocational Rehabilitation Consultants (VRCs) have degrees in rehabilitation counseling or a closely related field, most are nationally Certified Rehabilitation Counselors, and all have experience helping employers hire workers with disabilities and matching these workers with appropriate jobs. In addition, our Vocational Rehabilitation Consultants work closely with our claim teams to ensure claim management and return to work assistance are being effectively coordinated.

The Vocational Rehabilitation Consultants are expert at integrating and partnering with outside resources, such as State and Federal rehabilitation programs and rehabilitation counselors from public and private agencies, to develop efficient and effective individualized vocational rehabilitation programming/planning. This individualized plan reflects our knowledge of an individual's medical conditions, her capabilities and her skills and interests. The plan also is often structured to provide interim milestone events as a way to monitor progress.

Services span a wide range, and are offered based on an assessment of the insured's needs. The scope of services most commonly employed are:

- *Vocational Return to Work (RTW) Assessment*: The Vocational Rehabilitation Consultant assesses the employee's employability potential by interviewing the employee and all appropriate health care providers to determine the employee's functional capacity for work, skill level for employment, career interest, and re-employment options in the labor market.
- *Transferable Skills Analysis (TSA)/Vocational Analysis (VA)*: The Vocational Rehabilitation Consultant analyzes the employee's transferable (reemployment) skills to different types of employment situations by utilizing knowledge of the employee's education, training, work history, and professional accomplishments. A TSA/VA will yield a list of jobs that accommodate the individual's physical capacity for work, as well as the demonstrated level of skill.
- *Job Goal Development*: Partnering with the insured, Unum offers direct vocational counseling in which job placement goals are developed and agreed upon. This process can include vocational testing and vocational exploration activities (interest and ability testing, labor market research, etc.) before appropriate job goals are crystallized. Once a job goal is identified, an individualized written return to work plan is developed, which identifies the job goal, rationale for the job goal and responsibilities of all partners in the job search and placement activities. The plan places the responsibility for a successful return to work on all interested parties and is developed in a "win-win" spirit.
- *Labor Market Survey (LMS)*: The Vocational Rehabilitation Consultant surveys the appropriate labor market for suitable reemployment options matching the employee's vocational and medical profiles and providing suitable commensurate wages.
- *Job Search Skills Training (JSST)*: The Vocational Rehabilitation Consultant mentors and coaches the insured in specific job-seeking skills. These skills can include: Resume and cover letter development, completing an application, cold calling, interviewing techniques, appearance, discovering hidden job leads, using Internet job search engines, and posting an "eye catching" resume on the Internet.

- *Job Placement:* During the job development and placement phase of the return-to-work process, the employee and Vocational Rehabilitation Consultant collaborate at appropriate intervals on the job search results. Job placement efforts are documented by the Vocational Rehabilitation Consultant.
- *Skills Enhancement:* Identifying and helping to secure training as appropriate for return to work.

Additionally and importantly, by working closely with an employer, a Vocational Rehabilitation Consultant can assist an employee in staying at work after the onset of an illness or injury, before a claim has been filed. This is a win-win situation as the insured is able to return to or stay in productive employment and thus presumably would never have to file a claim for Social Security benefits.

Employer, Employee and Insurer Partnership

In many cases the individual may want to return to his or her previous employer in the same or a different role. This makes close partnership with the employer a significant factor in a successful return-to-work effort, and could be considered as an option by government entities as well.

Many employers recognize the value of a trained and tenured employee, and work with us to partner on behalf of the individual.

Working with an employer to facilitate a successful work return can take several forms. In some cases, a reduced schedule of work hours may be necessary while an individual returns to capacity to support a full work day. In other cases, it is possible to have an individual take a different role in the organization for a fixed period of time while he regains capacity. Sometimes, the new role becomes a permanent one.

Employers may also partner with Unum and assist in providing adaptive equipment or other accommodations that allow individuals to function at a level needed to succeed in a role.

For specific employers, based on their needs and requests, Unum will have experienced resources partner with them to assess the total impact to their operations of lost time from absences, and assess their practices with regard to absence management. This work has the potential to better inform the employer of the true and full cost to their business of disability, and to recommend changes in practice which can minimize that cost and create an environment that is conducive to a successful return to work.

Summary

The private sector plays a key role in assisting disabled individuals in their return-to-work efforts. Through a combination of financial resources, individualized attention, and refined vocational techniques, private sector return-to-work support and services not only benefit individual insureds, but also help the Federal Government and the American taxpayer by working to reduce the number of people who need government benefits.

By utilizing some of the innovative techniques, tools and resources from the private sector, we can help people receiving Social Security return to work. Even more importantly we may get people back to work before they ever need to take advantage of government programs. We assist with direct return-to-work efforts as well as helping the insured overcome various barriers, from navigating various Federal and State vocational programs to helping with ergonomic accommodations.

This critical social safety net, paying people while helping them get back on their feet, helps ensure that many don't slip through the cracks and that they get the services they need to become productive workers again.

We would like to thank the Committee for the opportunity to submit testimony and to consider the role the private sector can play in assisting claimants, the government and American taxpayers in getting people back to work. We would be pleased to continue to be available for any questions you may have. Thank you.

Statement of Victor Quibas

I wanted to share some testimony from my personal experience using the ticket to work program. During the late 90s I was in a motorcycle accident that crushed lower vertebrae in my back and had left me partially paralyzed from the waist down. After 6 long months of surgeries and treatments I was able to gain mobility and walk.

During this time period I was working for a very large manufacturing firm that required long periods of time standing and walking. When I went back to work the

company was unable to accommodate me with a sitting position. Unfortunately I worked as long as I could and was unable to resume my regular duties. I had to leave my job and apply for Social Security disability benefits.

It was a very long process but I was able to receive Social Security disability benefits. Even though I was very thankful to be receiving this income, the payments I received monthly were barely enough to maintain bills. It was a constant struggle to survive. With this being said, having a wonderful spouse and two young children we could not afford to enjoy the simple things in life such as eating out or going to the movies.

One day when going to church my wife Karla met a man who told her about the ticket to work program and asked her to share the information with me. After Karla shared the information with me I was hesitant to reach out to the program in fear of losing the benefits we had, but with Karla's support and encouragement I went to Goodwill of Central Arizona and enrolled in the ticket to work program and the customer service skills classes that would teach me needed service skills and resume writing and interviewing techniques.

During the orientation process I was assured that I would retain my benefits for a period of time and had found gainful employment. I graduated from the class and went out to find work searching for jobs by bus transportation. Proudly, I can say I found a great job here at the Pointe Hilton as a resort operator and have been here for over 5 years and have been promoted to communications supervisor and have confidence I will become communications manager. Truly, I want to convey that the ticket to work program does work and my experience with it has been extremely positive. I can say that it has helped me and my wonderful family regain our lives and become self-sufficient. Thank you for hearing my testimony.

Victor and Karla Quibas, Nick and Veronica

