



# Connections

STATE PARTNERSHIP SYSTEMS CHANGE INITIATIVE  
VIRGINIA COMMONWEALTH UNIVERSITY REHABILITATION  
RESEARCH AND TRAINING CENTER

## Ticket to Work and Work Incentives Improvement Act of 1999

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### TWWIIA:

- Creates a Work Incentives Advisory Panel
- Removes Limits On The Medicaid Buy-In Option
- Creates The Option To Retain Medicaid Coverage
- Creates A New Medicaid Buy-In Demonstration
- Extends Medicare Coverage For People With Disabilities Who Return To Work.
- Creates a "Ticket to Work" Program
- Fosters Benefits Planning and Assistance

The number of individuals entering the SSI and SSDI rolls has risen from 4.2 million in 1985 to 11 million in 1996 (Daniels & West, 1998). This dramatic increase has been fueled by two factors. First, the number of individuals applying for and becoming eligible for benefits has steadily increased. More individuals are experiencing work disability and are sustaining this work disability at an earlier age (Mashaw & Reno, 1996). Second, once eligible for disability benefits, very few individuals (less than 1%) exit the rolls and return to work. Without significant interventions, the growth in the Federal disability benefit rolls and corresponding expenditures will continue to increase for the foreseeable future (Rupp & Scott, 1995).

The SSI and SSDI programs, while providing a valuable income support function for some individuals, unnecessarily prevent others from obtaining employment and attempting to leave the benefit rolls. Despite the passage of the ADA, improvements in employer attitudes, and rapid advancement of service technologies, only an extremely small percentage of SSDI/SSI beneficiaries leave the rolls and return to employment at levels that enable them to be economically self-sufficient. This is particularly troubling because the majority of individuals with disabilities want to work and feel that they could work if provided the proper support (Wehman & Kregel, 1998). Lack of affordable health care coverage, unresponsive service systems, and an inability to access needed services and supports still hinder individuals' ef-

forts to enter or return to the workforce.

Increasing consumer frustration with the disincentives inherent in the SSI and SSDI disability programs ultimately led to concerted advocacy efforts and legislative reform. The Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA) was signed into law by President Clinton on December 17, 1999. At the signing, the President described the Act as "one of the most important legislative advances for people with disabilities since the enactment of the Americans with Disabilities Act."

TWWIIA contains several provisions designed to (1) eliminate the structural obstacles that have required individuals to choose between working and health insurance coverage, (2) enable individuals to exercise greater choice in choosing service providers and obtaining rehabilitation services, and (3) lessen the dependence of individuals with disabilities on the public benefits system. The major principles underlying the Act and the specific provisions related to health insurance coverage, the Ticket to Work and Self-Sufficiency Program (TWSSP), benefits assistance and planning and work incentive enhancements are described in this newsletter.

John Kregel, SPI Director

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[www.spiconnect.org](http://www.spiconnect.org)

## Purpose of the Ticket to Work and Work Incentives Improvement Act

The passage of TWWIIA is the beginning of a lengthy and challenging national implementation process. States' have a lot of flexibility to design programs that best meet the needs of individuals in the State. TWWIIA's purpose is to:

- Provide health care and employment preparation and placement services to individuals with disabilities that will enable those individuals to reduce their dependency on cash benefits.
- Encourage States to adopt the option of allowing individuals with disabilities to purchase Medicaid coverage that is necessary to enable such individuals to maintain employment.
- Provide individuals with disabilities the option of maintaining Medicaid coverage while working.
- Establish a return to work ticket program that will allow individuals with disabilities to seek the services necessary to obtain and retain employment, and therefore reduce their dependency on cash benefits.
- Establish community-based work incentives planning and assistance programs.

## TWWIIA Advisory Panel

The law establishes a Work Incentives Advisory Panel within Social Security composed of 12 members appointed by the President and Congress. The Panel members are:

- Four members appointed by the President
- Two members appointed by the speaker of the House
- Two members appointed by the minority leader of the House
- Two Members appointed by the majority leader of the Senate, and
- Two members appointed by the minority leader of the Senate

At least six of the Panel members are required to be individuals with disabilities, or representatives of individuals with disabilities, with consideration given to current or former Social Security disability beneficiaries.

The major duties of the Panel are to advise the Commissioner of Social Security and report to Congress on implementation of the Ticket program. In this role the panel will advise the Commissioner on:

- The establishment of phase-in sites for implementation of the program;
- Access of beneficiaries with disabilities to employment networks, payment systems, and management information systems to ensure success of the program;
- Effective designs for research and demonstration projects associated with the program or conducted with respect to the reduction in disability insurance benefits based on earnings;
- Development of performance measures for the employment networks; and
- Furnishing progress reports on the program to the commissioner and Congress.

The Advisory Panel is required to submit reports at least annually and to transmit a final report which is to include a detailed statement of the findings and conclusions of the Panel and its recommendations to the President and Congress not later than 2008 (eight years after the date of enactment).

### Advisory Panel:

- At least one-half of the Panel members are required to be individuals with disabilities
- Consideration is to be given to current or former Social Security disability beneficiaries

## Ticket to Work and Self-Sufficiency Program

The intent of the Ticket to Work and Self-Sufficiency Program (TWSSP) is to enable individuals with disabilities to exert greater choice and control of the employment services and supports they receive, as well as to promote innovation and competition among agencies providing employment services for individuals with disabilities.

### What is the TWSSP?

The TWSSP is a voluntary program in which an individual may use a “ticket” to obtain vocational rehabilitation services, employment services, or other types of services necessary to assist the individual to obtain or regain employment. The individual deposits the ticket with an employment network (i.e. a qualified provider or network of providers). The employment network is responsible for providing the individual all the services and supports necessary to enable the individual to enter employment, as specified in an individual work plan.

### Employment Network

Each employment network in the program will serve a prescribed service area and develop and implement an individual work plan in partnership with each beneficiary that includes a statement of:

1. Beneficiary’s vocational goal;
2. Services and supports necessary to accomplish that goal;
3. Terms and conditions related to the provision of the supports and services;
4. Rights and remedies available to the beneficiary; and
5. Beneficiary’s right to modify the plan.

If an individual successfully enters employment, the employment network receives payment according to a prescribed schedule. For each month during which

the individual does not receive benefits due to earnings or work, the employment network will receive a “fixed percentage of the calculation base for the calendar year in which the month occurs.” In general terms, this means that the employment network will receive a percentage (approximately 40%) of the average national SSDI payment (approximately \$800 per month) or average national SSI payment (approximately \$500 per month) for 60 months. Alternatively, an employment network may elect to receive payment through a milestone payment structure which consists of partial payments as the individual receives certain services that lead to employment.

### Food for Thought

The Ticket to Work program may provide opportunities for individuals traditionally excluded from employment services and employment opportunities to direct their own careers and choose the services and service providers they need to assist them. However, concerns have been raised that the design and structure of the program may limit participation in the program. For example:

- Reimbursement levels may be viewed by provider agencies as insufficient to enable them to serve individuals with significant support needs, who may be viewed as too costly to serve in a cost-effective manner; or
- Individuals with psychiatric disabilities may be viewed as “poor risks” due to the cyclical nature of these disabilities.

Creative strategies must be developed to insure that the Ticket to Work program will benefit the maximum number of recipients and beneficiaries.

**For More Information Visit SSA’s website:**

**[www.ssa.gov](http://www.ssa.gov)**

### Timeline

The Ticket to Work and Self-Sufficiency program will begin January 2001. The Commissioner will initiate the TWSSP at demonstration sites selected with the assistance of the Advisory Panel.

Implementation of TWSSP in all States is to occur on or before January 2003.

### An Employment Network:

- may consist of a one-stop delivery system; or
- a single provider; or
- a group of providers organized to combine their resources into a single entity.

***Ticket To Work***

***Jane Beneficiary  
1234567890***

## Expanded Availability of Health Care Services

*“Many of these provisions will not be available to individuals unless a State in which they reside adopts the provision as a component of its Medicaid State Plan”*

*John Kregel*

A long-recognized disincentive in the SSA system is the linkage between an individual's eligibility for SSI or SSDI cash benefit payments and corresponding eligibility for Medicaid or Medicare health insurance coverage. The Act contains several provisions that allow the Federal government to partner with States to enable employed individuals with disabilities to maintain Medicaid coverage. Beginning October 1, 2000, States:

- have the option to provide Medicaid coverage to more people age 16-64 with disabilities who are employed.
- can eliminate, or set their own income, asset and resource limitations, for workers with disabilities who meet the Social Security definition of disability.
- can provide Medicaid to employed individuals who participate in the Medi-

caid buy-in program, but later lose that eligibility due to medical improvement, who continue to have severe medically determinable impairments.

- can run a time-limited demonstration project to extend Medicaid to working individuals with potentially severe disabilities who, without health care, would become severe enough to qualify for SSDI or SSI benefits. Under this option, "working" is defined as working at least 40 hours a month, and a "potentially severe disability" is defined by the state.

The law also extends Medicare coverage for people with disabilities who return to work. It extends Part A premium-free coverage for four and one-half years beyond the current limit for Social Security disability beneficiaries who return to work.

### For Information on Healthcare for Working People with Disabilities:

Visit the SSI Coalition Web Site at:

[www.ssic.org](http://www.ssic.org)

### Requirements for State Medicaid buy-in plans :

- Must be State-wide
- Must have the same comprehensive health care package as the state's regular Medicaid plan; and
- Premiums can not exceed 7.5% of gross income when the participant's gross income is between 250% and 450% of the federal poverty level.

## Medicaid Buy-In Programs

The Medicaid Buy-in will allow working people with disabilities to pay a premium to participate in their state's Medicaid program, just like if they were buying private health care coverage.

States have a lot of flexibility to design a Medicaid Buy-in program that best meets the needs of individuals and the State. Both the Work Incentives Improvement Act of 1999 and the Balanced Budget Act of 1997 allow states to submit State plan amendments which redefine eligibility for this population. State plan amendments are different than waivers in that they are approved faster, are state-wide, and do not require the state to meet any cost-neutrality test.

Under TWWIA, States have the option to change the eligibility for Medicaid coverage. States can create a Medicaid buy-in program by:

- raising the income limits;
- disregarding income (earned and unearned);
- disregarding spousal income and assets;
- raising the asset limits;
- exempting certain assets; and
- charging premiums for Medicaid coverage for people with disabilities who are earning up to (and beyond) 250% of the poverty level.

## HCFA Demonstrations to Maintain Independence

Another important provision of TWWIA establishes a new Medicaid demonstration program to assess the efficacy of providing Medicaid coverage to individuals whose medical condition has not yet deteriorated to the point of preventing work, but who need health care coverage to postpone or forestall that level of deterioration. This provision will be of value to large numbers of individuals, including persons with diabetes, muscular dystrophy, HIV, Parkinson's Disease and other conditions.

The purpose of this Health Care Financing Administration (HCFA) demonstration program is to allow States to provide Medicaid to "workers with potentially severe physical or mental disabili-

ties". An individual is considered employed if he or she is earning at least minimum wage and working 40 hours per month or is engaged in work effort that meets substantial and reasonable threshold criteria for hours of work, wages, or other measures defined under the demonstration project approved by the Health and Human Services Secretary. The proposed program does not have to be Statewide.

States can:

- Determine the number of individuals to be served; and
- Identify the types of severe physical or mental impairments that will be served by the program.

**The term "worker with a potentially severe disability" means, an individual:**

- At least 16 years of age, but less than 65
- Who has a specific physical or mental impairment and needs health care coverage to maintain employment, and
- Is employed

## State Infrastructure Grants

Under TWWIA, grants are available to States to support the design, establishment and operation of infrastructures to support working individuals with disabilities and to conduct outreach campaigns. These moneys may not be used for direct services for individuals: they must be used for long term lasting systems infrastructure. Administrative uses of the infrastructure funds may include planning, administration and systems change expenses for the Medicaid Buy-in.

States may also use infrastructure grant money for administrative work to set up a demonstration project that extends Medicaid to working individuals with potentially severe disabilities who, without health care, would become severe enough to qualify for SSDI or SSI benefits. The demonstration projects should be tied to the development of personal assistance

services sufficient to enable people to return to work.

The Health Care Financing Administration expects to issue the Request for Proposal (RFP) in May of 2000. The first round awards will be made in September, 2000. The minimum annual award will be \$500,000 per State.

As part of their system development, States must:

- Offer Personal Assistance Services; and
- Support establishment, implementation, and operation of the State Infrastructure that provide services and supports to working individuals with disabilities.

### For More Information :

Visit HCFA's Web Site at:

**[www.hcfa.gov](http://www.hcfa.gov)**

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## Benefits Planning and Assistance Program

TWWIA establishes a community-based work incentives planning and assistance program designed to provide accurate information on work incentives to SSA beneficiaries. The Social Security Administration is required to enact a program of grants, contracts or cooperative agreements to entities across the nation to provide benefits counseling and assistance, conduct ongoing outreach efforts to inform beneficiaries of available work incentives, and establish a corps of highly trained work incentive specialists within the Social Security Administration. These services must be coordinated with information and services provided through other agencies, such as vocational rehabilitation, centers for independent living, One-Stop Career Centers, School to Work transition programs and other services.

The SSA benefits planning and assis-

tance program reflects three key reform principles.

First, the inclusion of benefits planning in the TWWIA Act represents an acknowledgement on the part of Congress and SSA of the complexity of the laws, regulations and policies involving Social Security eligibility, earnings restrictions and work incentives.

Second, the benefits planning program reflects Congress's recognition that persons with disabilities deserve to plan and direct their own careers and rehabilitation.

Third, the requirement that the benefits planning program should be coordinated with other appropriate public and private assistance programs recognizes the inter-relatedness of current Federal and State benefits and support programs.

## Benefits Assistance Services

The following definition of benefits assistance services was developed by a workgroup sponsored in part by the VCU SPI Project and the NY Works Project.

### Benefits Counselor Job Description

The Benefits Counselor collects data on individual's current benefits status, provides critical analysis of impact of work and earnings on these benefits, and makes recommendations to the individual and their employment coordination team as to safety nets and on-going benefits management plans that should be put into place as the individual develops a plan for employment.

A comprehensive program of benefits planning and assistance is essential to insure that individuals are able to fully bene-

fit from program reforms without jeopardizing their economic or health status due to incomplete or erroneous information. Individuals making decisions related to return to work may not only affect their eligibility of continuation of Social Security cash benefits, but also their eligibility for Medicaid or Medicare, Food Stamps, Housing Benefits and other related supports.

A common thread among the 18 SPI Projects is the development and delivery of benefits assistance services. While all of these benefits assistance programs have a common thread of assisting individuals to assess their current benefits status, variations exist with regard to the organizational structure of the program as well as the type and intensity of services provided.

## SSA Outreach Grants

The Social Security Administration is required to enact a program of outreach grants, contracts or cooperative agreements for direct service providers across the nation to:

- Provide benefits counseling and assistance; and
- Conduct ongoing outreach efforts to inform beneficiaries of available work incentives.

These outreach awards will range from \$50,000 to \$300,000 and will require State support. The Requests For Awards (RFAs) are expected to be released in late spring. The outreach grants are not required to be State-wide projects.

Proposed projects should:

- Provide access to all possible benefit programs (HUD, TANF, SSA, etc);
- Include a range of customer services such as information and referral; problem solving and advocacy; risk analysis, benefits analysis and planning; and ongoing customer follow-along.
- Offer a network of community resources for crisis situations;
- Provide a long term commitment to customer support and service coordination; and
- Outline plans for continuing the services after the termination of grant funds.

For More Information Contact:

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## Work Incentive Enhancements

TWWIA contains two major provisions which address the elimination of existing work disincentives. The first provision is related to the expedited reinstatement of an individual's benefits terminated due to work activity. The second provision addresses Continuing Disability Reviews (CDR) used to decide if an individual's medical condition has improved so that he or she no longer requires SSA cash benefit payments.

### Expedited Reinstatement of Benefits

For many years, beneficiaries with disabilities have been reluctant to work for fear of being unable to return to the Social Security benefits rolls should their condition change and preclude them from working. Under TWWIA, an individual is able to request immediate reinstatement of Social Security benefits that were terminated based on earnings from work. To qualify, individuals must:

- Be unable to work because of their medical condition; and
- Request reinstatement within 60 months of the month in which SSA terminated their benefits.

While SSA is considering the reapplication, the individual may be eligible for six months of benefits along with renewed eligibility for Medicaid or Medicare benefits. If it is determined that the medical condition no longer prevents the individual from working, no repayment of the provisional benefits would be required.

### Continuing Disability Reviews (CDR)

Many beneficiaries have not entered or returned to work for fear of losing their SSA benefits as a result of the CDR process. CDRs are periodic reviews to determine if an individual's medical condition has improved sufficiently so that he or she is no longer eligible for SSA cash benefit payments. TWWIA addresses these beneficiary concerns by instituting the following work incentive enhancements:

- Beginning in January 2001, Social Security cannot initiate a CDR while a SSI or SSDI beneficiary is using a ticket; and
- Beginning in January 2002, work activity by a beneficiary who has received SSDI for a minimum of 24 months may not be used as the basis for initiating a CDR. The individual would be subject to regularly scheduled CDRs.

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## The State Partnership Systems Change Initiative

### SPI

The State Partnership Initiative (SPI) was designed to help States develop innovative and integrated, statewide programs of services and supports for their residents with disabilities. The programs and supports will increase job opportunities and decrease dependence on public benefits.

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### Project States

The Social Security Administration and The Rehabilitation Services Administration funded a combined total of seventeen demonstration states to develop innovative projects to assist adults with disabilities in their efforts to reenter the work force. Other federal agencies such as the Department of Labor and the Department of Health and Human Services have joined the Social Security Administration in support of these projects. The State Partnership Systems Change Initiative States are:

- |            |                |           |
|------------|----------------|-----------|
| Alaska     | Minnesota      | Oklahoma  |
| Arkansas   | New Hampshire  | Oregon    |
| California | New Mexico     | Utah      |
| Colorado   | New York       | Vermont   |
| Illinois   | North Carolina | Wisconsin |
| Iowa       | Ohio           |           |

**"Supporting Efforts of Individuals with Disabilities to Enter the Workforce"**

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