

Union Calendar No. 304

105TH CONGRESS
2^D SESSION

H. R. 3433

[Report No. 105-537]

A BILL

To amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to return to work and to extend Medicare coverage for such beneficiaries, and to amend the Internal Revenue Code of 1986 to provide a tax credit for impairment-related work expenses.

MAY 18, 1998

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1998

Mr. BUNNING (for himself and Mrs. KENNELLY of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means

MAY 18, 1998

Additional sponsors: Mr. RAMSTAD, Mr. ENGLISH of Pennsylvania, Mr. HAYWORTH, Mr. HULSHOF, Mr. RANGEL, Mr. MATSUI, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mrs. THURMAN, Ms. KAPTUR, Ms. LOFGREN, Mr. KLINK, Ms. SLAUGHTER, Mr. SHAYS, Mr. CRANE, Mr. CAMP, Mr. BURTON of Indiana, Mr. NETHERCUTT, Mr. HOUGHTON, Mr. NUSSLE, Mr. WELLER, Mr. MCDERMOTT, Mr. LEVIN, Mr. FRELINGHUYSEN, and Mr. WAXMAN

MAY 18, 1998

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 11, 1998]

A BILL

To amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to return to work and to extend Medicare coverage for such beneficiaries, and to amend the Internal Revenue Code of 1986 to provide a tax credit for impairment-related work expenses.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Ticket to Work and Self-Sufficiency Act of 1998”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents is as*
 7 *follows:*

Sec. 1. Short title and table of contents.

Sec. 2. The Ticket to Work and Self-Sufficiency Program.

Sec. 3. Extending medicare coverage for OASDI disability benefit recipients who are using tickets to work and self-sufficiency.

Sec. 4. Technical amendments relating to drug addicts and alcoholics.

Sec. 5. Extension of disability insurance program demonstration project authority.

Sec. 6. Perfecting amendments related to withholding from social security benefits.

Sec. 7. Treatment of prisoners.

Sec. 8. Revocation by members of the clergy of exemption from social security coverage.

Sec. 9. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

1 **SEC. 2. THE TICKET TO WORK AND SELF-SUFFICIENCY PRO-**
2 **GRAM.**

3 (a) *IN GENERAL.*—Part A of title XI of the Social Se-
4 curity Act (42 U.S.C. 1301 et seq.) is amended by adding
5 at the end the following new section:

6 “*THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM*

7 “*SEC. 1147. (a) IN GENERAL.*—The Commissioner of
8 Social Security shall establish a Ticket to Work and Self-
9 Sufficiency Program, under which a disabled beneficiary
10 may use a ticket to work and self-sufficiency issued by the
11 Commissioner in accordance with this section to obtain em-
12 ployment services, vocational rehabilitation services, or
13 other support services from an employment network which
14 is of the beneficiary’s choice and which is willing to provide
15 such services to such beneficiary.

16 “(b) *TICKET SYSTEM.*—

17 “(1) *DISTRIBUTION OF TICKETS.*—The Commis-
18 sioner of Social Security may issue a ticket to work
19 and self-sufficiency to disabled beneficiaries for par-
20 ticipation in the Program.

21 “(2) *ASSIGNMENT OF TICKETS.*—A disabled ben-
22 eficiary holding a ticket to work and self-sufficiency
23 may assign the ticket to any employment network of
24 the beneficiary’s choice which is serving under the
25 Program and is willing to accept the assignment.

1 “(3) *TICKET TERMS.*—A ticket issued under
2 *paragraph (1) shall consist of a document which evi-*
3 *dences the Commissioner’s agreement to pay (as pro-*
4 *vided in paragraph (4)) an employment network,*
5 *which is serving under the Program and to which*
6 *such ticket is assigned by the beneficiary, for such em-*
7 *ployment services, vocational rehabilitation services,*
8 *and other support services as the employment network*
9 *may provide to the beneficiary.*

10 “(4) *PAYMENTS TO EMPLOYMENT NETWORKS.*—
11 *The Commissioner shall pay an employment network*
12 *under the Program in accordance with the outcome*
13 *payment system under subsection (h)(2) or under the*
14 *outcome-milestone payment system under subsection*
15 *(h)(3) (whichever is elected pursuant to subsection*
16 *(h)(1)). An employment network may not request or*
17 *receive compensation for such services from the bene-*
18 *ficiary.*

19 “(c) *STATE PARTICIPATION.*—

20 “(1) *PERIODIC ELECTIONS.*—Each State agency
21 *administering or supervising the administration of*
22 *the State plan approved under title I of the Rehabili-*
23 *tation act of 1973 may elect to participate in the*
24 *Program (or to revoke any such election) as an em-*
25 *ployment network. The Commissioner shall provide*

1 *for periodic opportunities for exercising such elections*
2 *(and revocations).*

3 “(2) *TREATMENT OF STATE AGENCIES.—Any*
4 *such election (or revocation) by a State agency de-*
5 *scribed in paragraph (1) taking effect during any pe-*
6 *riod for which an individual residing in the State is*
7 *a disabled beneficiary and a client of the State agen-*
8 *cy shall not be effective with respect to such individ-*
9 *ual to the extent that such election (or revocation)*
10 *would result in any change in the method of payment*
11 *to the State agency with respect to the individual*
12 *from the method of payment to the State agency with*
13 *respect to the individual in effect immediately before*
14 *such election (or revocation).*

15 “(3) *EFFECT OF PARTICIPATION BY STATE AGEN-*
16 *CY.—*

17 “(A) *STATE AGENCIES PARTICIPATING.—In*
18 *any case in which a State agency described in*
19 *paragraph (1) elects under paragraph (1) to*
20 *participate in the Program—*

21 “(i) *the employment services, voca-*
22 *tional rehabilitation services, and other sup-*
23 *port services which, upon assignment of*
24 *tickets to work and self-sufficiency, are pro-*
25 *vided to disabled beneficiaries by the State*

1 *agency acting as an employment network*
2 *shall be governed by plans for vocational re-*
3 *habilitation services approved under title I*
4 *of the Rehabilitation Act of 1973, and*

5 *“(ii) the provisions of section 222(d)*
6 *and the provisions of subsections (d) and (e)*
7 *of section 1615 shall not apply with respect*
8 *to such State.*

9 *“(B) STATE AGENCIES ADMINISTERING MA-*
10 *TERNAL AND CHILD HEALTH SERVICES PRO-*
11 *GRAMS.—Subparagraph (A) shall not apply with*
12 *respect to any State agency administering a pro-*
13 *gram under title V of this Act.*

14 *“(4) SPECIAL REQUIREMENTS APPLICABLE TO*
15 *CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—*

16 *“(A) IN GENERAL.—In any case in which*
17 *an employment network has been assigned a*
18 *ticket to work and self-sufficiency by a disabled*
19 *beneficiary, no State agency shall be deemed re-*
20 *quired, under this section, title I of the Rehabili-*
21 *tation Act of 1973, or a State plan approved*
22 *under such title, to accept any referral of such*
23 *disabled beneficiary from such employment net-*
24 *work unless such employment network and such*
25 *State agency have entered into a written agree-*

1 *ment that meets the requirements of subpara-*
2 *graph (B).*

3 “(B) *TERMS OF AGREEMENT.*—*An agree-*
4 *ment required by subparagraph (A) shall specify,*
5 *in accordance with regulations prescribed pursu-*
6 *ant to subparagraph (C)—*

7 “(i) *the extent (if any) to which the*
8 *employment network holding the ticket will*
9 *provide to the State agency—*

10 “(I) *reimbursement for costs in-*
11 *curring in providing services described*
12 *in subparagraph (A) to the disabled*
13 *beneficiary, and*

14 “(II) *other amounts from pay-*
15 *ments made by the Commissioner to*
16 *the employment network pursuant to*
17 *subsection (h), and*

18 “(ii) *any other conditions that may be*
19 *required by such regulations.*

20 “(C) *REGULATIONS.*—*The Commissioner of*
21 *Social Security and the Secretary of Education*
22 *shall jointly prescribe regulations specifying the*
23 *terms of agreements required by subparagraph*
24 *(A) and otherwise necessary to carry out the pro-*
25 *visions of this paragraph.*

1 “(D) *PENALTY.*—*No payment may be made*
2 *to an employment network pursuant to sub-*
3 *section (h) in connection with services provided*
4 *to any disabled beneficiary if such employment*
5 *network makes referrals described in subpara-*
6 *graph (A) in violation of the terms of the con-*
7 *tract required under subparagraph (A) or with-*
8 *out having entered into such a contract.*

9 “(d) *RESPONSIBILITIES OF THE COMMISSIONER OF*
10 *SOCIAL SECURITY.*—

11 “(1) *SELECTION AND QUALIFICATIONS OF PRO-*
12 *GRAM MANAGERS.*—*The Commissioner of Social Secu-*
13 *urity shall enter into agreements with one or more or-*
14 *ganizations in the private or public sector for service*
15 *as a program manager to assist the Commissioner in*
16 *administering the Program. Any such program man-*
17 *ager shall be selected by means of a competitive bid-*
18 *ding process, from among organizations in the pri-*
19 *vate or public sector with available expertise and ex-*
20 *perience in the field of vocational rehabilitation or*
21 *employment services.*

22 “(2) *TENURE, RENEWAL, AND EARLY TERMI-*
23 *NATION.*—*Each agreement entered into under para-*
24 *graph (1) shall provide for early termination upon*
25 *failure to meet performance standards which shall be*

1 *specified in the agreement and which shall be weight-*
2 *ed to take into account any performance in prior*
3 *terms. Such performance standards shall include (but*
4 *are not limited to)—*

5 *“(A) measures for ease of access by bene-*
6 *ficiaries to services, and*

7 *“(B) measures for determining the extent to*
8 *which failures in obtaining services for bene-*
9 *ficiaries fall within acceptable parameters, as de-*
10 *termined by the Commissioner.*

11 *“(3) PRECLUSION FROM DIRECT PARTICIPATION*
12 *IN DELIVERY OF SERVICES IN OWN SERVICE AREA.—*
13 *Agreements under paragraph (1) shall preclude—*

14 *“(A) direct participation by a program*
15 *manager in the delivery of employment services,*
16 *vocational rehabilitation services, or other sup-*
17 *port services to beneficiaries in the service area*
18 *covered by the program manager’s agreement,*
19 *and*

20 *“(B) the holding by a program manager of*
21 *a financial interest in an employment network*
22 *or service provider which provides services in a*
23 *geographic area covered under the program man-*
24 *ager’s agreement.*

1 “(4) *SELECTION OF EMPLOYMENT NETWORKS.—*
2 *The Commissioner shall select and enter into agree-*
3 *ments with employment networks for service under*
4 *the Program. Such employment networks shall be in*
5 *addition to State agencies serving as employment net-*
6 *works pursuant to elections under subsection (c).*

7 “(5) *TERMINATION OF AGREEMENTS WITH EM-*
8 *PLOYMENT NETWORKS.—The Commissioner shall ter-*
9 *minate agreements with employment networks for in-*
10 *adequate performance, as determined by the Commis-*
11 *sioner.*

12 “(6) *QUALITY ASSURANCE.—The Commissioner*
13 *shall provide for such periodic reviews as are nec-*
14 *essary to provide for effective quality assurance in the*
15 *provision of services by employment networks. The*
16 *Commissioner shall take into account the views of*
17 *consumers and the program manager under which the*
18 *employment networks serve and shall consult with*
19 *providers of services to develop performance measure-*
20 *ments. The Commissioner shall ensure that the results*
21 *of the periodic reviews are made available to bene-*
22 *ficiaries who are prospective service recipients as they*
23 *select employment networks. The Commissioner shall*
24 *ensure the performance of periodic surveys of bene-*

1 *ficiaries receiving services under the Program de-*
2 *signed to measure customer service satisfaction.*

3 “(7) *DISPUTE RESOLUTION.*—*The Commissioner*
4 *shall provide for a mechanism for resolving disputes*
5 *between beneficiaries and employment networks and*
6 *between program managers and employment net-*
7 *works. The Commissioner shall afford a party to such*
8 *a dispute a reasonable opportunity for a full and fair*
9 *review of the matter in dispute.*

10 “(e) *PROGRAM MANAGERS.*—

11 “(1) *IN GENERAL.*—*A program manager shall*
12 *conduct tasks appropriate to assist the Commissioner*
13 *in carrying out the Commissioner’s duties in admin-*
14 *istering the Program.*

15 “(2) *RECRUITMENT OF EMPLOYMENT NET-*
16 *WORKS.*—*A program manager shall recruit, and rec-*
17 *ommend for selection by the Commissioner, employ-*
18 *ment networks for service under the Program. The*
19 *program manager shall carry out such recruitment*
20 *and provide such recommendations, and shall mon-*
21 *itor all employment networks serving in the Program*
22 *in the geographic area covered under the program*
23 *manager’s agreement, to the extent necessary and ap-*
24 *propriate to ensure that adequate choices of services*
25 *are made available to beneficiaries. Employment net-*

1 *works may serve under the Program only pursuant to*
2 *an agreement entered into with the Commissioner*
3 *under the Program incorporating the applicable pro-*
4 *visions of this section and regulations thereunder, and*
5 *the program manager shall provide and maintain as-*
6 *surances to the Commissioner that payment by the*
7 *Commissioner to employment networks pursuant to*
8 *this section is warranted based on compliance by such*
9 *employment networks with the terms of such agree-*
10 *ment and this section. The program manager shall*
11 *not impose numerical limits on the number of em-*
12 *ployment networks to be recommended pursuant to*
13 *this paragraph.*

14 *“(3) FACILITATION OF ACCESS BY BENE-*
15 *FICIARIES TO EMPLOYMENT NETWORKS.—A program*
16 *manager shall facilitate access by beneficiaries to em-*
17 *ployment networks. The program manager shall en-*
18 *sure that each beneficiary is allowed changes in em-*
19 *ployment networks for good cause, as determined by*
20 *the Commissioner, without being deemed to have re-*
21 *jected services under the Program. The program man-*
22 *ager shall establish and maintain lists of employment*
23 *networks available to beneficiaries and shall make*
24 *such lists generally available to the public. The pro-*
25 *gram manager shall ensure that all information pro-*

1 *vided to disabled beneficiaries pursuant to this para-*
2 *graph is provided in accessible format.*

3 *“(4) ENSURING AVAILABILITY OF ADEQUATE*
4 *SERVICES.—The program manager shall ensure that*
5 *employment services, vocational rehabilitation serv-*
6 *ices, and other support services are provided to bene-*
7 *ficiaries throughout the geographic area covered under*
8 *the program manager’s agreement, including rural*
9 *areas.*

10 *“(5) REASONABLE ACCESS TO SERVICES.—The*
11 *program manager shall take such measures as are*
12 *necessary to ensure that sufficient employment net-*
13 *works are available and that each beneficiary receiv-*
14 *ing services under the Program has reasonable access*
15 *to employment services, vocational rehabilitation serv-*
16 *ices, and other support services. Such services may in-*
17 *clude case management, benefits counseling, supported*
18 *employment, career planning, career plan develop-*
19 *ment, vocational assessment, job training, placement,*
20 *follow-up services, and such other services as may be*
21 *specified by the Commissioner under the Program.*
22 *The program manager shall ensure that such services*
23 *are coordinated.*

24 *“(f) EMPLOYMENT NETWORKS.—*

1 “(1) *QUALIFICATIONS FOR EMPLOYMENT NET-*
2 *WORKS.—Each employment network serving under*
3 *the Program shall consist of an agency or instrumen-*
4 *tality of a State (or a political subdivision thereof) or*
5 *a private entity, which assumes responsibility for the*
6 *coordination and delivery of services under the Pro-*
7 *gram to individuals assigning to the employment net-*
8 *work tickets to work and self-sufficiency issued under*
9 *subsection (b). No employment network may serve*
10 *under the Program unless it demonstrates to the Com-*
11 *missioner substantial expertise and experience in the*
12 *field of employment services, vocational rehabilitation*
13 *services, or other support services for individuals with*
14 *disabilities and provides an array of such services.*
15 *An employment network shall consist of either a sin-*
16 *gle provider of such services or of an association of*
17 *such providers organized so as to combine their re-*
18 *sources into a single entity. An employment network*
19 *may meet the requirements of subsection (e)(4) by*
20 *providing services directly, or by entering into agree-*
21 *ments with other individuals or entities providing ap-*
22 *propriate employment services, vocational rehabilita-*
23 *tion services, or other support services.*

24 “(2) *REQUIREMENTS RELATING TO PROVISION OF*
25 *SERVICES.—Each employment network serving under*

1 *the Program shall be required under the terms of its*
2 *agreement with the Commissioner to—*

3 *“(A) serve prescribed service areas,*

4 *“(B) meet, and maintain compliance with,*
5 *both general selection criteria (such as profes-*
6 *sional and governmental certification and edu-*
7 *cational credentials) and specific selection cri-*
8 *teria (such as the extent of work experience by*
9 *the provider with specific populations), and*

10 *“(C) take such measures as are necessary to*
11 *ensure that employment services, vocational re-*
12 *habilitation services, and other support services*
13 *provided under the Program by, or under agree-*
14 *ments entered into with, the employment network*
15 *are provided under appropriate individual work*
16 *plans meeting the requirements of subsection (g).*

17 *“(3) ANNUAL FINANCIAL REPORTING.—Each em-*
18 *ployment network shall meet financial reporting re-*
19 *quirements as prescribed by the Commissioner.*

20 *“(4) PERIODIC OUTCOMES REPORTING.—Each*
21 *employment network shall prepare periodic reports,*
22 *on at least an annual basis, itemizing for the covered*
23 *period specific outcomes achieved with respect to spe-*
24 *cific services provided by the employment network.*
25 *Such reports shall conform to a national model pre-*

1 *scribed under this section. Each employment network*
2 *shall provide a copy of the latest report issued by the*
3 *employment network pursuant to this paragraph to*
4 *each beneficiary upon enrollment under the Program*
5 *for services to be received through such employment*
6 *network. Upon issuance of each report to each bene-*
7 *ficiary, a copy of the report shall be maintained in*
8 *the files of the employment network pertaining to the*
9 *beneficiary. The program manager shall ensure that*
10 *copies of all such reports issued under this paragraph*
11 *are made available to the public under reasonable*
12 *terms.*

13 “(g) *INDIVIDUAL WORK PLANS.*—

14 “(1) *IN GENERAL.*—*Each employment network*
15 *shall—*

16 “(A) *take such measures as are necessary to*
17 *ensure that employment services, vocational re-*
18 *habilitation services, and other support services*
19 *provided under the Program by, or under agree-*
20 *ments entered into with, the employment network*
21 *are provided under appropriate individual work*
22 *plans as defined by the Commissioner, and*

23 “(B) *develop and implement each such indi-*
24 *vidual work plan, in the case of each beneficiary*
25 *receiving such services, in a manner that affords*

1 *such beneficiary the opportunity to exercise in-*
2 *formed choice in selecting an employment goal*
3 *and specific services needed to achieve that em-*
4 *ployment goal.*

5 *A beneficiary's individual work plan shall take effect*
6 *upon approval by the beneficiary.*

7 “(2) *VOCATIONAL EVALUATION.*—*In devising the*
8 *work plan, the employment network shall undertake a*
9 *vocational evaluation with respect to the beneficiary.*
10 *Each vocational evaluation shall set forth in writing*
11 *such elements and shall be in such format as the Com-*
12 *missioner shall prescribe. The Commissioner may*
13 *provide for waiver by the beneficiary of such a voca-*
14 *tional evaluation, subject to regulations which shall be*
15 *prescribed by the Commissioner providing for the per-*
16 *missible timing of, and the circumstances permitting,*
17 *such a waiver.*

18 “(h) *EMPLOYMENT NETWORK PAYMENT SYSTEMS.*—

19 “(1) *ELECTION OF PAYMENT SYSTEM BY EM-*
20 *PLOYMENT NETWORKS.*—

21 “(A) *IN GENERAL.*—*The Program shall pro-*
22 *vide for payment authorized by the Commis-*
23 *sioner to employment networks under either an*
24 *outcome payment system or an outcome-mile-*
25 *stone payment system. Each employment net-*

1 *work shall elect which payment system will be*
2 *utilized by the employment network, and, for*
3 *such period of time as such election remains in*
4 *effect, the payment system so elected shall be uti-*
5 *lized exclusively in connection with such employ-*
6 *ment network (except as provided in subpara-*
7 *graph (B)).*

8 “(B) *METHOD OF PAYMENT TO EMPLOY-*
9 *MENT NETWORKS.—Any such election by an em-*
10 *ployment network taking effect during any pe-*
11 *riod for which a disabled beneficiary is receiving*
12 *services from such employment network shall not*
13 *be effective with respect to such beneficiary to the*
14 *extent that such election would result in any*
15 *change in the method of payment to the employ-*
16 *ment network with respect to services provided to*
17 *such beneficiary from the method of payment to*
18 *the employment network with respect to services*
19 *provided to such beneficiary as of immediately*
20 *before such election.*

21 “(2) *OUTCOME PAYMENT SYSTEM.—*

22 “(A) *IN GENERAL.—The outcome payment*
23 *system shall consist of a payment structure gov-*
24 *erning employment networks electing such sys-*

1 *tem under paragraph (1)(A) which meets the re-*
2 *quirements of this paragraph.*

3 “(B) *PAYMENTS MADE DURING OUTCOME*
4 *PAYMENT PERIOD.—The outcome payment sys-*
5 *tem shall provide for a schedule of payments to*
6 *an employment network, in connection with each*
7 *individual who is a beneficiary, for each month,*
8 *during the individual’s outcome payment period,*
9 *for which benefits (described in paragraphs (2)*
10 *and (3) of subsection (k)) are not payable to such*
11 *individual.*

12 “(C) *COMPUTATION OF PAYMENTS TO EM-*
13 *PLOYMENT NETWORK.—The payment schedule of*
14 *the outcome payment system shall be designed so*
15 *that—*

16 “(i) *the payment for each of the 60*
17 *months during the outcome payment period*
18 *for which benefits (described in paragraphs*
19 *(2) and (3) of subsection (k)) are not pay-*
20 *able is equal to a fixed percentage of the*
21 *payment calculation base for the calendar*
22 *year in which such month occurs, and*

23 “(ii) *such fixed percentage is set at a*
24 *percentage which does not exceed 40 percent.*

25 “(3) *OUTCOME-MILESTONE PAYMENT SYSTEM.—*

1 “(A) *IN GENERAL.*—*The outcome-milestone*
2 *payment system shall consist of a payment*
3 *structure governing employment networks elect-*
4 *ing such system under paragraph (1)(A) which*
5 *meets the requirements of this paragraph.*

6 “(B) *EARLY PAYMENTS UPON ATTAINMENT*
7 *OF MILESTONES IN ADVANCE OF OUTCOME PAY-*
8 *MENT PERIODS.*—*The outcome-milestone pay-*
9 *ment system shall provide for one or more mile-*
10 *stones, with respect to beneficiaries receiving*
11 *services from an employment network under the*
12 *Program, which are directed toward the goal of*
13 *permanent employment. Such milestones shall*
14 *form a part of a payment structure which pro-*
15 *vides, in addition to payments made during out-*
16 *come payment periods, payments made prior to*
17 *outcome payment periods in amounts based on*
18 *the attainment of such milestones.*

19 “(C) *LIMITATION ON TOTAL PAYMENTS TO*
20 *EMPLOYMENT NETWORK.*—*The payment schedule*
21 *of the outcome milestone payment system shall be*
22 *designed so that the total of the payments to the*
23 *employment network with respect to each bene-*
24 *ficiary is less than, on a net present value basis*
25 *(using an interest rate determined by the Com-*

1 *missioner that appropriately reflects the cost of*
2 *funds faced by providers), the total amount to*
3 *which payments to the employment network with*
4 *respect to the beneficiary would be limited if the*
5 *employment network were paid under the out-*
6 *come payment system.*

7 “(4) *DEFINITIONS.—For purposes of this sub-*
8 *section—*

9 “(A) *PAYMENT CALCULATION BASE.—The*
10 *term ‘payment calculation base’ means, for any*
11 *calendar year—*

12 “(i) *in connection with a title II dis-*
13 *ability beneficiary, the average disability*
14 *insurance benefit payable under section 223*
15 *for all beneficiaries for months during the*
16 *preceding calendar year, and*

17 “(ii) *in connection with a title XVI*
18 *disability beneficiary (who is not concur-*
19 *rently a title II disability beneficiary), the*
20 *average payment of supplemental security*
21 *income benefits based on disability payable*
22 *under title XVI (excluding State supplemen-*
23 *tation) for months during the preceding cal-*
24 *endar year to all beneficiaries who have at-*
25 *tained at least 18 years of age.*

1 “(B) *OUTCOME PAYMENT PERIOD.*—*The*
2 *term ‘outcome payment period’ means, in con-*
3 *nection with any individual who had assigned a*
4 *ticket to work and self-sufficiency to an employ-*
5 *ment network under the Program, a period—*

6 “(i) *beginning with the first month,*
7 *ending after the date on which such ticket*
8 *was assigned to the employment network,*
9 *for which benefits (described in paragraphs*
10 *(2) and (3) of subsection (k)) are not pay-*
11 *able to such individual by reason of engage-*
12 *ment in work activity, and*

13 “(ii) *ending with the 60th month (con-*
14 *secutive or otherwise), ending after such*
15 *date, for which such benefits are not pay-*
16 *able to such individual by reason of engage-*
17 *ment in work activity.*

18 “(5) *PERIODIC REVIEW AND ALTERATIONS OF*
19 *PRESCRIBED SCHEDULES.*—

20 “(A) *PERCENTAGES AND PERIODS.*—*The*
21 *Commissioner of Social Security shall periodi-*
22 *cally review the percentage specified in para-*
23 *graph (2)(C), the total payments permissible*
24 *under paragraph (3)(C), and the period of time*
25 *specified in paragraph (4)(B) to determine*

1 *whether such percentages, such permissible pay-*
2 *ments, and such period provide an adequate in-*
3 *centive for employment networks to assist bene-*
4 *ficiaries to enter the workforce, while providing*
5 *for appropriate economies. The Commissioner*
6 *may alter such percentage, such total permissible*
7 *payments, or such period of time to the extent*
8 *that the Commissioner determines, on the basis*
9 *of the Commissioner's review under this para-*
10 *graph, that such an alteration would better pro-*
11 *vide the incentive and economies described in the*
12 *preceding sentence.*

13 “(B) *NUMBER AND AMOUNT OF MILESTONE*
14 *PAYMENTS.—The Commissioner shall periodi-*
15 *cally review the number and amounts of mile-*
16 *stone payments established by the Commissioner*
17 *pursuant to this section to determine whether*
18 *they provide an adequate incentive for employ-*
19 *ment networks to assist beneficiaries to enter the*
20 *workforce, taking into account information pro-*
21 *vided to the Commissioner by program man-*
22 *agers, the Ticket to Work and Self-Sufficiency*
23 *Advisory Panel, and other reliable sources. The*
24 *Commissioner may from time to time alter the*
25 *number and amounts of milestone payments ini-*

1 *tially established by the Commissioner pursuant*
2 *to this section to the extent that the Commis-*
3 *sioner determines that such an alteration would*
4 *allow an adequate incentive for employment net-*
5 *works to assist beneficiaries to enter the work-*
6 *force. Such alteration shall be based on informa-*
7 *tion provided to the Commissioner by program*
8 *managers, the Ticket to Work and Self-Suffi-*
9 *ciency Advisory Panel, or other reliable sources.*

10 “(i) *SUSPENSION OF DISABILITY REVIEWS.—During*
11 *any period for which an individual is using a ticket to work*
12 *and self-sufficiency issued under this section, the Commis-*
13 *sioner (and any applicable State agency) may not initiate*
14 *a continuing disability review or other review under section*
15 *221 of whether the individual is or is not under a disability*
16 *or a review under title XVI similar to any such review*
17 *under section 221.*

18 “(j) *AUTHORIZATIONS.—*

19 “(1) *TITLE II DISABILITY BENEFICIARIES.—*
20 *There are authorized to be transferred from the Fed-*
21 *eral Old-Age and Survivors Insurance Trust Fund*
22 *and the Federal Disability Insurance Trust Fund*
23 *each fiscal year such sums as may be necessary to*
24 *carry out the provisions of this section with respect*
25 *to title II disability beneficiaries. Money paid from*

1 *the Trust Funds under this section with respect to*
2 *title II disability beneficiaries who are entitled to*
3 *benefits under section 223 or who are entitled to bene-*
4 *fits under section 202(d) on the basis of the wages*
5 *and self-employment income of such beneficiaries,*
6 *shall be charged to the Federal Disability Insurance*
7 *Trust Fund, and all other money paid from the Trust*
8 *Funds under this section shall be charged to the Fed-*
9 *eral Old-Age and Survivors Insurance Trust Fund.*
10 *The Commissioner of Social Security shall determine*
11 *according to such methods and procedures as shall be*
12 *prescribed under this section—*

13 “(A) *the total amount to be paid to pro-*
14 *gram managers and employment networks under*
15 *this section, and*

16 “(B) *subject to the provisions of the preced-*
17 *ing sentence, the amount which should be*
18 *charged to each of the Trust Funds.*

19 “(2) *TITLE XVI DISABILITY BENEFICIARIES.—*
20 *Amounts authorized to be appropriated to the Social*
21 *Security Administration under section 1601 (as in ef-*
22 *fect pursuant to the amendments made by section 301*
23 *of the Social Security Amendments of 1972) shall in-*
24 *clude amounts necessary to carry out the provisions*

1 of this section with respect to title XVI disability
2 beneficiaries.

3 “(k) *DEFINITIONS.*—For purposes of this section—

4 “(1) *DISABLED BENEFICIARY.*—The term ‘dis-
5 abled beneficiary’ means a title II disability bene-
6 ficiary or a title XVI disability beneficiary.

7 “(2) *TITLE II DISABILITY BENEFICIARY.*—The
8 term ‘title II disability beneficiary’ means an indi-
9 vidual entitled to disability insurance benefits under
10 section 223 or to monthly insurance benefits under
11 section 202 based on such individual’s disability (as
12 defined in section 223(d)). An individual is a title II
13 disability beneficiary for each month for which such
14 individual is entitled to such benefits.

15 “(3) *TITLE XVI DISABILITY BENEFICIARY.*—The
16 term ‘title XVI disability beneficiary’ means an indi-
17 vidual eligible for supplemental security income bene-
18 fits under title XVI on the basis of blindness (within
19 the meaning of section 1614(a)(2)) or disability
20 (within the meaning of section 1614(a)(3)). An indi-
21 vidual is a title XVI disability beneficiary for each
22 month for which such individual is eligible for such
23 benefits.

24 “(4) *SUPPLEMENTAL SECURITY INCOME BENE-*
25 *FIT.*—The term ‘supplemental security income benefit

1 *under title XVI means a cash benefit under section*
2 *1611 or 1619(a), and does not include a State supple-*
3 *mentary payment, administered federally or other-*
4 *wise.*

5 “(l) *REGULATIONS.—The Commissioner of Social Se-*
6 *curity shall prescribe such regulations as are necessary to*
7 *carry out the provisions of this section.*”.

8 (b) *CONFORMING AMENDMENTS.—*

9 (1) *AMENDMENTS TO TITLE II.—*

10 (A) *Section 221(c) of such Act (42 U.S.C.*
11 *421(c)) is amended by adding at the end the fol-*
12 *lowing new paragraph:*

13 “(4) *For suspension of reviews under this subsection*
14 *in the case of an individual using a ticket to work and*
15 *self-sufficiency, see section 1147(i).*”.

16 (B) *Section 222(a) of such Act (42 U.S.C.*
17 *422(a)) is repealed.*

18 (C) *Section 222(b) of such Act (42 U.S.C.*
19 *422(b)) is repealed.*

20 (D) *Section 225(b)(1) of such Act (42*
21 *U.S.C. 425(b)(1)) is amended by striking “a pro-*
22 *gram of vocational rehabilitation services” and*
23 *inserting “a program consisting of the Ticket to*
24 *Work and Self-Sufficiency Program under sec-*
25 *tion 1147 or another program of vocational reha-*

1 *ilitation services, employment services, or other*
2 *support services”.*

3 (2) *AMENDMENTS TO TITLE XVI.—*

4 (A) *Section 1615(a) of such Act (42 U.S.C.*
5 *1382d(a)) is amended to read as follows:*

6 “*SEC. 1615. (a) In the case of any blind or disabled*
7 *individual who—*

8 “*(1) has not attained age 16, and*

9 “*(2) with respect to whom benefits are paid*
10 *under this title,*

11 *the Commissioner of Social Security shall make provision*
12 *for referral of such individual to the appropriate State*
13 *agency administering the State program under title V.”.*

14 (B) *Section 1615(c) of such Act (42 U.S.C.*
15 *1382d(c)) is repealed.*

16 (C) *Section 1631(a)(6)(A) of such Act (42*
17 *U.S.C. 1383(a)(6)(A)) is amended by striking “a*
18 *program of vocational rehabilitation services”*
19 *and inserting “a program consisting of the Tick-*
20 *et to Work and Self-Sufficiency Program under*
21 *section 1147 or another program of vocational*
22 *rehabilitation services, employment services, or*
23 *other support services”.*

24 (D) *Section 1633(c) of such Act (42 U.S.C.*
25 *1383b(c)) is amended—*

1 (i) by inserting “(1)” after “(c)”; and

2 (ii) by adding at the end the following

3 new paragraph:

4 “(2) For suspension of continuing disability reviews
5 and other reviews under this title similar to reviews under
6 section 221 in the case of an individual using a ticket to
7 work and self-sufficiency, see section 1147(i).”.

8 (c) *EFFECTIVE DATE.*—Subject to subsection (d), the
9 amendments made by subsections (a) and (b) shall take ef-
10 fect with the first month following one year after the date
11 of the enactment of this Act.

12 (d) *GRADUATED IMPLEMENTATION OF PROGRAM.*—

13 (1) *IN GENERAL.*—Not later than one year after
14 the date of the enactment of this Act, the Commis-
15 sioner of Social Security shall commence implementa-
16 tion of the amendments made by this section (other
17 than paragraphs (1)(C) and (2)(B) of subsection (b))
18 in graduated phases at phase-in sites selected by the
19 Commissioner. Such phase-in sites shall be selected so
20 as to ensure, prior to full implementation of the Tick-
21 et to Work and Self-Sufficiency Program, the develop-
22 ment and refinement of referral processes, payment
23 systems, computer linkages, management information
24 systems, and administrative processes necessary to
25 provide for full implementation of such amendments.

1 *Subsection (c) shall apply with respect to paragraphs*
2 *(1)(C) and (2)(B) of subsection (b) without regard to*
3 *this subsection.*

4 (2) *REQUIREMENTS.—Implementation of the*
5 *Program at each phase-in site shall be carried out on*
6 *a wide enough scale to permit a thorough evaluation*
7 *of the alternative methods under consideration, so as*
8 *to ensure that the most efficacious methods are deter-*
9 *mined and in place for full implementation of the*
10 *Program on a timely basis.*

11 (3) *FULL IMPLEMENTATION.—The Commissioner*
12 *shall ensure that the Program is fully implemented as*
13 *soon as practicable on or after the effective date speci-*
14 *fied in subsection (c) but not later than six years*
15 *after such date.*

16 (4) *ONGOING EVALUATION OF PROGRAM.—*

17 (A) *IN GENERAL.—The Commissioner shall*
18 *design and conduct a series of evaluations to as-*
19 *sess the cost-effectiveness of activities carried out*
20 *under this section and the amendments made*
21 *thereby, as well as the effects of this section and*
22 *the amendments made thereby on work outcomes*
23 *for beneficiaries receiving tickets to work and*
24 *self-sufficiency under the Program.*

25 (B) *METHODOLOGY.—*

1 (i) *DESIGN AND IMPLEMENTATION.*—

2 *The Commissioner shall design the series of*
3 *evaluations after receiving relevant advice*
4 *from experts in the fields of disability, voca-*
5 *tional rehabilitation, and program evalua-*
6 *tion and individuals using tickets to work*
7 *and self-sufficiency under the Program. In*
8 *designing and carrying out such evalua-*
9 *tions, the Commissioner shall consult with*
10 *the Comptroller General of the United*
11 *States and other agencies of the Federal*
12 *Government and with private organizations*
13 *with appropriate expertise. Before provision*
14 *of services begins under any phase of Pro-*
15 *gram implementation, the Commissioner*
16 *shall ensure that plans for such evaluations*
17 *and data collection methods are in place*
18 *and ready for implementation.*

19 (ii) *SPECIFIC MATTERS TO BE AD-*
20 *DRESSED.*—*Each such evaluation shall ad-*
21 *dress (but is not limited to):*

22 (I) *the annual cost (including net*
23 *cost) of the Program and the annual*
24 *cost (including net cost) that would*

1 *have been incurred in the absence of*
2 *the Program;*

3 *(II) the determinants of return to*
4 *work, including the characteristics of*
5 *beneficiaries in receipt of tickets under*
6 *the Program;*

7 *(III) the types of employment*
8 *services, vocational rehabilitation serv-*
9 *ices, and other support services fur-*
10 *nished to beneficiaries in receipt of*
11 *tickets under the Program who return*
12 *to work and to those who do not return*
13 *to work;*

14 *(IV) the duration of employment*
15 *services, vocational rehabilitation serv-*
16 *ices, and other support services fur-*
17 *nished to beneficiaries in receipt of*
18 *tickets under the Program who return*
19 *to work and the duration of such serv-*
20 *ices furnished to those who do not re-*
21 *turn to work and the cost to employ-*
22 *ment networks of furnishing such serv-*
23 *ices;*

24 *(V) the employment outcomes, in-*
25 *cluding wages, occupations, benefits,*

1 *and hours worked, of beneficiaries who*
2 *return to work after receiving tickets*
3 *under the Program and those who re-*
4 *turn to work without receiving such*
5 *tickets;*

6 *(VI) the characteristics of provid-*
7 *ers whose services are provided within*
8 *an employment network under the Pro-*
9 *gram;*

10 *(VII) the extent (if any) to which*
11 *employment networks display a greater*
12 *willingness to provide services to dis-*
13 *abled beneficiaries;*

14 *(VIII) the characteristics (includ-*
15 *ing employment outcomes) of those*
16 *beneficiaries who receive services under*
17 *the outcome payment system and of*
18 *those beneficiaries who receive services*
19 *under the outcome-milestone payment*
20 *system;*

21 *(IX) measures of satisfaction*
22 *among beneficiaries in receipt of tick-*
23 *ets under the Program; and*

24 *(X) reasons for (including com-*
25 *ments solicited from beneficiaries re-*

1 *garding) their choice not to use their*
2 *tickets or their inability to return to*
3 *work despite the use of thier tickets.*

4 (C) *PERIODIC EVALUATION REPORTS.—Fol-*
5 *lowing the close of the third and fifth fiscal years*
6 *ending after the effective date under subsection*
7 *(c), and prior to the close of the seventh fiscal*
8 *year ending after such date, the Commissioner*
9 *shall transmit to the Committee on Ways and*
10 *Means of the House of Representatives and the*
11 *Committee on Finance of the Senate a report*
12 *containing the Commissioner's evaluation of the*
13 *progress of activities conducted under the provi-*
14 *sions of this section and the amendments made*
15 *thereby. Each such report shall set forth the*
16 *Commissioner's evaluation of the extent to which*
17 *the Program has been successful and the Com-*
18 *missioner's conclusions on whether or how the*
19 *Program should be modified. Each such report*
20 *shall include such data, findings, materials, and*
21 *recommendations as the Commissioner may con-*
22 *sider appropriate.*

23 (5) *EXTENT OF STATE'S RIGHT OF FIRST RE-*
24 *FUSAL IN ADVANCE OF FULL IMPLEMENTATION OF*
25 *AMENDMENTS IN SUCH STATE.—*

1 (A) *IN GENERAL.*—*In the case of any State*
2 *in which the amendments made by subsection (a)*
3 *have not been fully implemented pursuant to this*
4 *subsection, the Commissioner shall determine by*
5 *regulation the extent to which—*

6 (i) *the requirement under section*
7 *222(a) of the Social Security Act for*
8 *prompt referrals to a State agency, and*

9 (ii) *the authority of the Commissioner*
10 *under section 222(d)(2) of such Act to pro-*
11 *vide vocational rehabilitation services in*
12 *such State by agreement or contract with*
13 *other public or private agencies, organiza-*
14 *tions, institutions, or individuals,*
15 *shall apply in such State.*

16 (B) *EXISTING AGREEMENTS.*—*Nothing in*
17 *subparagraph (A) or the amendments made by*
18 *subsection (a) shall be construed to limit, im-*
19 *pede, or otherwise affect any agreement entered*
20 *into pursuant to section 222(d)(2) of the Social*
21 *Security Act before the date of the enactment of*
22 *this Act with respect to services provided pursu-*
23 *ant to such agreement to beneficiaries receiving*
24 *services under such agreement as of such date,*
25 *except with respect to services (if any) to be pro-*

1 *vided after six years after the effective date pro-*
2 *vided in subsection (c).*

3 *(e) THE TICKET TO WORK AND SELF-SUFFICIENCY*
4 *ADVISORY PANEL.—*

5 *(1) ESTABLISHMENT.—There is established in*
6 *the executive branch a panel to be known as the*
7 *“Ticket to Work and Self-Sufficiency Advisory Panel”*
8 *(in this subsection referred to as the “Panel”).*

9 *(2) DUTIES OF PANEL.—It shall be the duty of*
10 *the Panel to—*

11 *(A) advise the Commissioner of Social Secu-*
12 *rity on establishing phase-in sites for the Ticket*
13 *to Work and Self-Sufficiency Program and on*
14 *fully implementing the Program thereafter,*

15 *(B) advise the Commissioner with respect to*
16 *the refinement of access of disabled beneficiaries*
17 *to employment networks, payment systems, and*
18 *management information systems and advise the*
19 *Commissioner whether such measures are being*
20 *taken to the extent necessary to ensure the success*
21 *of the Program,*

22 *(C) advise the Commissioner regarding the*
23 *most effective designs for research and dem-*
24 *onstration projects associated with the Program*
25 *or conducted pursuant to subsection (h),*

1 (D) advise the Commissioner on the devel-
2 opment of performance measurements relating to
3 quality assurance under section 1147(d)(6) of the
4 Social Security Act, and

5 (E) furnish progress reports on the Program
6 to the President and each House of the Congress.

7 (3) MEMBERSHIP.—

8 (A) NUMBER AND APPOINTMENT.—The
9 Panel shall be composed of 6 members as follows:

10 (i) 1 member appointed by the Chair-
11 man of the Committee on Ways and Means
12 of the House of Representatives;

13 (ii) 1 member appointed by the rank-
14 ing minority member of the Committee on
15 Ways and Means of the House of Represent-
16 atives;

17 (iii) 1 member appointed by the Chair-
18 man of the Committee on Finance of the
19 Senate;

20 (iv) 1 member appointed by the rank-
21 ing minority member of the Committee on
22 Finance of the Senate; and

23 (v) 2 members appointed by the Presi-
24 dent, who may not be of the same political
25 party.

1 (B) *REPRESENTATION.*—Of the members
2 appointed under subparagraph (A), at least 4
3 shall have experience or expert knowledge as a
4 recipient, provider, employer, or employee in the
5 fields of, or related to, employment services, voca-
6 tional rehabilitation services, and other support
7 services, of whom—

8 (i) at least one shall represent the in-
9 terests of recipients of employment services,
10 vocational rehabilitation services, and other
11 support services,

12 (ii) at least one shall represent the in-
13 terests of providers of employment services,
14 vocational rehabilitation services, and other
15 support services,

16 (iii) at least one shall represent the in-
17 terests of private employers,

18 (iv) at least one shall represent the in-
19 terests of employees, and

20 (v) at least one shall be an individual
21 who is or has been a recipient of benefits
22 under title II or title XVI based on disabil-
23 ity.

24 (C) *TERMS.*—

1 (i) *IN GENERAL.*—Each member shall
2 be appointed for a term of 4 years (or, if
3 less, for the remaining life of the Panel), ex-
4 cept as provided in clauses (ii) and (iii).
5 The initial members shall be appointed not
6 later than 90 days after the date of the en-
7 actment of this Act.

8 (ii) *TERMS OF INITIAL APPOINTEES.*—
9 As designated by the President at the time
10 of appointment, of the members first ap-
11 pointed—

12 (I) 3 of the members appointed
13 under subparagraph (A) shall be ap-
14 pointed for a term of 2 years, and

15 (II) 3 of the members appointed
16 under subparagraph (A) shall be ap-
17 pointed for a term of 4 years.

18 (iii) *VACANCIES.*—Any member ap-
19 pointed to fill a vacancy occurring before
20 the expiration of the term for which the
21 member's predecessor was appointed shall be
22 appointed only for the remainder of that
23 term. A member may serve after the expira-
24 tion of that member's term until a successor
25 has taken office. A vacancy in the Panel

1 *shall be filled in the manner in which the*
2 *original appointment was made.*

3 (D) *BASIC PAY.*—*Members shall each be*
4 *paid at a rate equal to the daily equivalent of*
5 *the rate of basic pay for level 4 of the Senior Ex-*
6 *ecutive Service, as in effect from time to time*
7 *under section 5382 of title 5, United States Code,*
8 *for each day (including travel time) during*
9 *which they are engaged in the actual perform-*
10 *ance of duties vested in the Panel.*

11 (E) *TRAVEL EXPENSES.*—*Each member*
12 *shall receive travel expenses, including per diem*
13 *in lieu of subsistence, in accordance with sections*
14 *5702 and 5703 of title 5, United States Code.*

15 (F) *QUORUM.*—*4 members of the Panel*
16 *shall constitute a quorum but a lesser number*
17 *may hold hearings.*

18 (G) *CHAIRPERSON.*—*The Chairperson of the*
19 *Panel shall be designated by the President. The*
20 *term of office of the Chairperson shall be 4 years.*

21 (H) *MEETINGS.*—*The Panel shall meet at*
22 *least quarterly and at other times at the call of*
23 *the Chairperson or a majority of its members.*

24 (4) *DIRECTOR AND STAFF OF PANEL; EXPERTS*
25 *AND CONSULTANTS.—*

1 (A) *DIRECTOR.*—*The Panel shall have a Di-*
2 *rector who shall be appointed by the Panel. The*
3 *Director shall be paid at a rate not to exceed the*
4 *maximum rate of pay payable for GS–15 of the*
5 *General Schedule.*

6 (B) *STAFF.*—*Subject to rules prescribed by*
7 *the Panel, the Director may appoint and fix the*
8 *pay of additional personnel as the Director con-*
9 *siders appropriate.*

10 (C) *EXPERTS AND CONSULTANTS.*—*Subject*
11 *to rules prescribed by the Panel, the Director*
12 *may procure temporary and intermittent serv-*
13 *ices under section 3109(b) of title 5, United*
14 *States Code.*

15 (D) *STAFF OF FEDERAL AGENCIES.*—*Upon*
16 *request of the Panel, the head of any Federal de-*
17 *partment or agency may detail, on a reimburs-*
18 *able basis, any of the personnel of that depart-*
19 *ment or agency to the Panel to assist it in carry-*
20 *ing out its duties under this Act.*

21 (5) *POWERS OF PANEL.*—

22 (A) *HEARINGS AND SESSIONS.*—*The Panel*
23 *may, for the purpose of carrying out its duties*
24 *under this subsection, hold such hearings, sit and*
25 *act at such times and places, and take such testi-*

1 *mony and evidence as the Panel considers appro-*
2 *priate.*

3 *(B) POWERS OF MEMBERS AND AGENTS.—*
4 *Any member or agent of the Panel may, if au-*
5 *thorized by the Panel, take any action which the*
6 *Panel is authorized to take by this section.*

7 *(C) MAILS.—The Panel may use the United*
8 *States mails in the same manner and under the*
9 *same conditions as other departments and agen-*
10 *cies of the United States.*

11 *(D) ADMINISTRATIVE SUPPORT SERVICES.—*
12 *Upon the request of the Panel, the Administrator*
13 *of General Services shall provide to the Panel, on*
14 *a reimbursable basis, the administrative support*
15 *services necessary for the Panel to carry out its*
16 *duties under this subsection.*

17 *(6) REPORTS.—*

18 *(A) INTERIM REPORTS.—The Panel shall*
19 *submit to the President and the Congress interim*
20 *reports at least annually.*

21 *(B) FINAL REPORT.—The Panel shall trans-*
22 *mit a final report to the President and the Con-*
23 *gress not later than eight years after the date of*
24 *the enactment of this Act. The final report shall*
25 *contain a detailed statement of the findings and*

1 *conclusions of the Panel, together with its rec-*
2 *ommendations for legislation and administrative*
3 *actions which the Panel considers appropriate.*

4 (7) *TERMINATION.*—*The Panel shall terminate*
5 *30 days after the date of the submission of its final*
6 *report under paragraph (6)(B).*

7 (8) *AUTHORIZATION OF APPROPRIATIONS.*—
8 *There are authorized to be appropriated from the Fed-*
9 *eral Old-Age and Survivors Insurance Trust Fund,*
10 *the Federal Disability Insurance Trust Fund, and the*
11 *general fund of the Treasury, as appropriate, such*
12 *sums as are necessary to carry out this subsection.*

13 (f) *SPECIFIC REGULATIONS REQUIRED.*—

14 (1) *IN GENERAL.*—*The Commissioner of Social*
15 *Security shall prescribe such regulations as are nec-*
16 *essary to implement the amendments made by this*
17 *section.*

18 (2) *SPECIFIC MATTERS TO BE INCLUDED IN REG-*
19 *ULATIONS.*—*The matters which shall be addressed in*
20 *such regulations shall include (but are not limited*
21 *to)—*

22 (A) *the form and manner in which tickets*
23 *to work and self-sufficiency may be distributed to*
24 *beneficiaries pursuant to section 1147(b)(1) of*
25 *such Act;*

1 (B) the format and wording of such tickets,
2 which shall incorporate by reference any contrac-
3 tual terms governing service by employment net-
4 works under the Program;

5 (C) the form and manner in which State
6 agencies may elect participation in the Ticket to
7 Work and Self-Sufficiency Program (and revoke
8 such an election) pursuant to section 1147(c)(1)
9 of such Act and provision for periodic opportuni-
10 ties for exercising such elections (and revoca-
11 tions);

12 (D) the status of State agencies under sec-
13 tion 1147(c)(2) at the time that State agencies
14 exercise elections (and revocations) under such
15 section 1147(c)(1);

16 (E) the terms of agreements to be entered
17 into with program managers pursuant to section
18 1147(d) of such Act, including (but not limited
19 to)—

20 (i) the terms by which program man-
21 agers are precluded from direct participa-
22 tion in the delivery of services pursuant to
23 section 1147(d)(3) of such Act,

24 (ii) standards which must be met by
25 quality assurance measures referred to in

1 paragraph (6) of section 1147(d) and meth-
2 ods of recruitment of employment networks
3 utilized pursuant to paragraph (2) of sec-
4 tion 1147(e), and

5 (iii) the format under which dispute
6 resolution will operate under section
7 1147(d)(7).

8 (F) the terms of agreements to be entered
9 into with employment networks pursuant to sec-
10 tion 1147(d)(4) of such Act, including (but not
11 limited to)—

12 (i) the manner in which service areas
13 are specified pursuant to section
14 1147(f)(2)(A) of such Act,

15 (ii) the general selection criteria and
16 the specific selection criteria which are ap-
17 plicable to employment networks under sec-
18 tion 1147(f)(2)(B) of such Act in selecting
19 service providers,

20 (iii) specific requirements relating to
21 annual financial reporting by employment
22 networks pursuant to section 1147(f)(3) of
23 such Act, and

24 (iv) the national model to which peri-
25 odic outcomes reporting by employment net-

1 *works must conform under section*
2 *1147(f)(4) of such Act;*

3 *(G) standards which must be met by indi-*
4 *vidual work plans pursuant to section 1147(g) of*
5 *such Act;*

6 *(H) standards which must be met by pay-*
7 *ment systems required under section 1147(h) of*
8 *such Act, including (but not limited to)—*

9 *(i) the form and manner in which elec-*
10 *tions by employment networks of payment*
11 *systems are to be exercised pursuant to sec-*
12 *tion 1147(h)(1)(A),*

13 *(ii) the terms which must be met by an*
14 *outcome payment system under section*
15 *1147(h)(2);*

16 *(iii) the terms which must be met by*
17 *an outcome-milestone payment system*
18 *under section 1147(h)(3);*

19 *(iv) any revision of the percentage*
20 *specified in paragraph (2)(C) of section*
21 *1147(h) of such Act or the period of time*
22 *specified in paragraph (4)(B) of such sec-*
23 *tion 1147(h); and*

24 *(v) annual oversight procedures for*
25 *such systems; and*

1 (I) procedures for effective oversight of the
2 Program by the Commissioner of Social Secu-
3 rity, including periodic reviews and reporting
4 requirements.

5 (g) *WORK INCENTIVE SPECIALISTS.*—The Commis-
6 sioner shall establish a corps of trained, accessible, and re-
7 sponsive work incentive specialists to specialize in title II
8 and title XVI disability work incentives for the purpose of
9 disseminating accurate information to disabled bene-
10 ficiaries (as defined in section 1147(k)(1) of the Social Se-
11 curity Act as amended by this Act) with respect to inquiries
12 and issues relating to work incentives.

13 (h) *DEMONSTRATION PROJECTS PROVIDING FOR RE-*
14 *DUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON*
15 *EARNINGS.* —

16 (1) *AUTHORITY.*—The Commissioner shall con-
17 duct demonstration projects for the purpose of evalu-
18 ating, through the collection of data, a program for
19 title II disability beneficiaries (as defined in section
20 1147(k)(2) of the Social Security Act, as amended by
21 this Act) under which each \$1 of benefits payable
22 under section 223, or under section 202 based on the
23 beneficiary's disability, is reduced for each \$2 of such
24 beneficiary's earnings that is above a level to be deter-
25 mined by the Commissioner. Such projects shall be

1 *conducted at a number of localities which the Com-*
2 *missioner shall determine is sufficient to adequately*
3 *evaluate the appropriateness of national implementa-*
4 *tion of such a program. Such projects shall identify*
5 *reductions in Federal expenditures that may result*
6 *from the permanent implementation of such a pro-*
7 *gram.*

8 (2) *SCOPE AND SCALE AND MATTERS TO BE DE-*
9 *TERMINED.—*

10 (A) *IN GENERAL.—The demonstration*
11 *projects developed under paragraph (1) shall be*
12 *of sufficient duration, shall be of sufficient scope,*
13 *and shall be carried out on a wide enough scale*
14 *to permit a thorough evaluation of the project to*
15 *determine—*

16 (i) *the effects, if any, of induced entry*
17 *and reduced exit,*

18 (ii) *the extent, if any, to which the*
19 *project being tested is affected by whether it*
20 *is in operation in a locality within an area*
21 *under the administration of the Ticket to*
22 *Work and Self-Sufficiency Program, and*

23 (iii) *the savings that accrue to the*
24 *Trust Funds and other Federal programs*
25 *under the project being tested.*

1 *The Commissioner shall take into account advice*
2 *provided by the Ticket to Work and Self-Suffi-*
3 *ciency Advisory Panel pursuant to subsection*
4 *(e)(2)(C).*

5 *(B) ADDITIONAL MATTERS.—The Commis-*
6 *sioner shall also determine with respect to each*
7 *project—*

8 *(i) the annual cost (including net cost)*
9 *of the project and the annual cost (includ-*
10 *ing net cost) that would have been incurred*
11 *in the absence of the project,*

12 *(ii) the determinants of return to work,*
13 *including the characteristics of the bene-*
14 *ficiaries who participate in the project, and*

15 *(iii) the employment outcomes, includ-*
16 *ing wages, occupations, benefits, and hours*
17 *worked, of beneficiaries who return to work*
18 *as a result of participation in the project.*

19 *The Commissioner may include within the mat-*
20 *ters evaluated under the project the merits of*
21 *trial work periods and periods of extended eligi-*
22 *bility.*

23 *(3) WAIVERS.—The Commissioner may waive*
24 *compliance with the benefit provisions of title II of*
25 *the Social Security Act, and the Secretary of Health*

1 *and Human Services may waive compliance with the*
2 *benefit requirements of title XVIII of such Act, in so*
3 *far as is necessary for a thorough evaluation of the*
4 *alternative methods under consideration. No such*
5 *project shall be actually placed in operation unless at*
6 *least 90 days prior thereto a written report, prepared*
7 *for purposes of notification and information only and*
8 *containing a full and complete description thereof,*
9 *has been transmitted by the Commissioner to the*
10 *Committee on Ways and Means of the House of Rep-*
11 *resentatives and to the Committee on Finance of the*
12 *Senate. Periodic reports on the progress of such*
13 *projects shall be submitted by the Commissioner to*
14 *such committees. When appropriate, such reports shall*
15 *include detailed recommendations for changes in ad-*
16 *ministration or law, or both, to carry out the objec-*
17 *tives stated in paragraph (1).*

18 *(4) INTERIM REPORTS.—On or before June 9 in*
19 *2000 and each of the succeeding years thereafter, the*
20 *Commissioner shall submit to the Congress an in-*
21 *terim report on the progress of the demonstration*
22 *projects carried out under this subsection together*
23 *with any related data and materials which the Com-*
24 *missioner may consider appropriate.*

1 (5) *FINAL REPORT.*—*The Commissioner shall*
2 *submit to the Congress a final report with respect to*
3 *all demonstration projects carried out under this sec-*
4 *tion no later than one year after their completion.*

5 (6) *EXPENDITURES.*—*Expenditures made for*
6 *demonstration projects under this subsection shall be*
7 *made from the Federal Disability Insurance Trust*
8 *Fund and the Federal Old-Age and Survivors Insur-*
9 *ance Trust Fund, as determined appropriate by the*
10 *Commissioner, and from the Federal Hospital Insur-*
11 *ance Trust Fund and the Federal Supplementary*
12 *Medical Insurance Trust Fund, as determined appro-*
13 *priate by the Secretary of Health and Human Serv-*
14 *ices, to the extent provided in advance in appropria-*
15 *tion Acts.*

16 (i) *STUDY BY GENERAL ACCOUNTING OFFICE OF EX-*
17 *ISTING DISABILITY-RELATED EMPLOYMENT INCENTIVES.*—

18 (1) *STUDY.*—*As soon as practicable after the*
19 *date of the enactment of this Act, the Comptroller*
20 *General of the United States shall undertake a study*
21 *to assess existing tax credits and other disability-re-*
22 *lated employment incentives under the Americans*
23 *with Disabilities Act of 1990 and other Federal laws.*
24 *In such study, the Comptroller General shall specifi-*
25 *cally address the extent to which such credits and*

1 *other incentives would encourage employers to hire*
2 *and retain individuals with disabilities under the*
3 *Ticket to Work and Self-Sufficiency Program.*

4 (2) *REPORT.*—*Not later than 3 years after the*
5 *date of the enactment of this Act, the Comptroller*
6 *General shall transmit to the Committee on Ways and*
7 *Means of the House of Representatives and the Com-*
8 *mittee on Finance of the Senate a written report pre-*
9 *senting the results of the Comptroller General's study*
10 *conducted pursuant to this subsection, together with*
11 *such recommendations for legislative or administra-*
12 *tive changes as the Comptroller General may deter-*
13 *mine to be appropriate.*

14 (j) *STUDY BY GENERAL ACCOUNTING OFFICE OF EX-*
15 *ISTING COORDINATION OF THE DI AND SSI PROGRAMS AS*
16 *THEY RELATE TO INDIVIDUALS ENTERING OR LEAVING*
17 *CONCURRENT ENTITLEMENT.*—

18 (1) *STUDY.*—*As soon as practicable after the*
19 *date of the enactment of this Act, the Comptroller*
20 *General of the United States shall undertake a study*
21 *to evaluate the coordination under current law of the*
22 *disability insurance program under title II of the So-*
23 *cial Security Act and the supplemental security in-*
24 *come program under title XVI of such Act, as such*
25 *programs relate to individuals entering or leaving*

1 concurrent entitlement under such programs. In such
2 study, the Comptroller General shall specifically ad-
3 dress the effectiveness of work incentives under such
4 programs with respect to such individuals and the ef-
5 fectiveness of coverage of such individuals under titles
6 XVIII and XIX of such Act.

7 (2) *REPORT.*—Not later than 18 months after the
8 date of the enactment of this Act, the Comptroller
9 General shall transmit to the Committee on Ways and
10 Means of the House of Representatives and the Com-
11 mittee on Finance of the Senate a written report pre-
12 senting the results of the Comptroller General's study
13 conducted pursuant to this subsection, together with
14 such recommendations for legislative or administra-
15 tive changes as the Comptroller General may deter-
16 mine to be appropriate.

17 **SEC. 3. EXTENDING MEDICARE COVERAGE FOR OASDI DIS-**
18 **ABILITY BENEFIT RECIPIENTS WHO ARE**
19 **USING TICKETS TO WORK AND SELF-SUFFI-**
20 **CIENCY.**

21 (a) *IN GENERAL.*—The next to last sentence of section
22 226(b) of the Social Security Act (42 U.S.C. 426) is amend-
23 ed—

1 *BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.*—Section
2 *105(a)(5) of the Contract with America Advancement Act*
3 *of 1996 (Public Law 104–121; 110 Stat. 853) is amended—*

4 (1) *in subparagraph (A), by striking “by the*
5 *Commissioner of Social Security” and “by the Com-*
6 *missioner”;* and

7 (2) *by adding at the end the following new sub-*
8 *paragraphs:*

9 “(D) *For purposes of this paragraph, an in-*
10 *dividual’s claim, with respect to benefits under*
11 *title II of the Social Security Act based on dis-*
12 *ability, which has been denied in whole before*
13 *the date of the enactment of this Act, may not*
14 *be considered to be finally adjudicated before*
15 *such date if, on or after such date—*

16 “(i) *there is pending a request for ei-*
17 *ther administrative or judicial review with*
18 *respect to such claim, or*

19 “(ii) *there is pending, with respect to*
20 *such claim, a readjudication by the Com-*
21 *missioner of Social Security pursuant to re-*
22 *lief in a class action or implementation by*
23 *the Commissioner of a court remand order.*

24 “(E) *Notwithstanding the provisions of this*
25 *paragraph, with respect to any individual for*

1 *whom the Commissioner of Social Security does*
2 *not perform the entitlement redetermination be-*
3 *fore the date prescribed in subparagraph (C), the*
4 *Commissioner shall perform such entitlement re-*
5 *determination in lieu of a continuing disability*
6 *review whenever the Commissioner determines*
7 *that the individual's entitlement is subject to re-*
8 *determination based on the preceding provisions*
9 *of this paragraph, and the provisions of section*
10 *223(f) of the Social Security Act shall not apply*
11 *to such redetermination.”.*

12 ***(b) CORRECTION TO EFFECTIVE DATE OF PROVISIONS***
13 ***CONCERNING REPRESENTATIVE PAYEES AND TREATMENT***
14 ***REFERRALS OF SOCIAL SECURITY BENEFICIARIES WHO***
15 ***ARE DRUG ADDICTS AND ALCOHOLICS.—Section***
16 ***105(a)(5)(B) of such Act (Public Law 104–121; 110 Stat.***
17 ***853) is amended to read as follows:***

18 ***“(B) The amendments made by paragraphs***
19 ***(2) and (3) shall take effect on July 1, 1996,***
20 ***with respect to any individual—***

21 ***“(i) whose claim for benefits is finally***
22 ***adjudicated on or after the date of the en-***
23 ***actment of this Act, or***

1 “(ii) whose entitlement to benefits is
2 based upon an entitlement redetermination
3 made pursuant to subparagraph (C).”.

4 (c) *EFFECTIVE DATES.*—The amendments made by
5 this section shall take effect as if included in the enactment
6 of section 105 of the Contract with America Advancement
7 Act of 1996 (Public Law 104–121; 110 Stat. 852 et seq.).

8 **SEC. 5. EXTENSION OF DISABILITY INSURANCE PROGRAM**
9 **DEMONSTRATION PROJECT AUTHORITY.**

10 (a) *IN GENERAL.*—Section 505 of the Social Security
11 Disability Amendments of 1980 (Public Law 96–265; 94
12 Stat. 473), as amended by section 12101 of the Consolidated
13 Omnibus Budget Reconciliation Act of 1985 (Public Law
14 99–272; 100 Stat. 282), section 10103 of the Omnibus
15 Budget Reconciliation Act of 1989 (Public Law 101–239;
16 103 Stat. 2472), section 5120(f) of the Omnibus Budget
17 Reconciliation Act of 1990 (Public Law 101–508; 104 Stat.
18 1388–282), and section 315 of the Social Security Inde-
19 pendence and Program Improvements Act of 1994 (Public
20 Law 103–296; 108 Stat. 1531), is further amended—

21 (1) in paragraph (1) of subsection (a), by adding
22 at the end the following new sentence: “The Commis-
23 sioner may expand the scope of any such demonstra-
24 tion project to include any group of applicants for
25 benefits under such program with impairments which

1 *may reasonably be presumed to be disabling for pur-*
2 *poses of such demonstration project, and may limit*
3 *any such demonstration project to any such group of*
4 *applicants, subject to the terms of such demonstration*
5 *project which shall define the extent of any such pre-*
6 *sumption.”;*

7 *(2) in paragraph (3) of subsection (a), by strik-*
8 *ing “June 10, 1996” and inserting “June 10, 2001”;*

9 *(3) in paragraph (4) of subsection (a), by insert-*
10 *ing “and on or before October 1, 2000,” after “1995,”;*
11 *and*

12 *(4) in subsection (c), by striking “October 1,*
13 *1996” and inserting “October 1, 2001”.*

14 *(b) EFFECTIVE DATE.—The amendments made by sub-*
15 *section (a) shall take effect on the date of the enactment*
16 *of this Act.*

17 **SEC. 6. PERFECTING AMENDMENTS RELATED TO WITH-**
18 **HOLDING FROM SOCIAL SECURITY BENEFITS.**

19 *(a) INAPPLICABILITY OF ASSIGNMENT PROHIBITION.—*
20 *Section 207 of the Social Security Act (42 U.S.C. 407) is*
21 *amended by adding at the end the following new subsection:*

22 *“(c) Nothing in this section shall be construed to pro-*
23 *hibit withholding taxes from any benefit under this title,*
24 *if such withholding is done pursuant to a request made in*
25 *accordance with section 3402(p)(1) of the Internal Revenue*

1 *Code of 1986 by the person entitled to such benefit or such*
2 *person’s representative payee.”.*

3 *(b) PROPER ALLOCATION OF COSTS OF WITHHOLDING*
4 *BETWEEN THE TRUST FUNDS AND THE GENERAL FUND.—*
5 *Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—*

6 *(1) by inserting before the period in paragraph*
7 *(1)(A)(ii) the following: “and the functions of the So-*
8 *cial Security Administration in connection with the*
9 *withholding of taxes from benefits, as described in sec-*
10 *tion 207(c), pursuant to requests by persons entitled*
11 *to such benefits or such persons’ representative*
12 *payee”;*

13 *(2) by inserting before the period at the end of*
14 *paragraph (1)(A) the following: “and the functions of*
15 *the Social Security Administration in connection*
16 *with the withholding of taxes from benefits, as de-*
17 *scribed in section 207(c), pursuant to requests by per-*
18 *sons entitled to such benefits or such persons’ rep-*
19 *resentative payee”;*

20 *(3) in paragraph (1)(B)(i)(I), by striking “sub-*
21 *paragraph (A)),” and inserting “subparagraph (A))*
22 *and the functions of the Social Security Administra-*
23 *tion in connection with the withholding of taxes from*
24 *benefits, as described in section 207(c), pursuant to*

1 *requests by persons entitled to such benefits or such*
2 *persons' representative payee,"*;

3 (4) *in paragraph (1)(C)(iii), by inserting before*
4 *the period the following: "and the functions of the So-*
5 *cial Security Administration in connection with the*
6 *withholding of taxes from benefits, as described in sec-*
7 *tion 207(c), pursuant to requests by persons entitled*
8 *to such benefits or such persons' representative*
9 *payee";*

10 (5) *in paragraph (1)(D), by inserting after "sec-*
11 *tion 232" the following: "and the functions of the So-*
12 *cial Security Administration in connection with the*
13 *withholding of taxes from benefits as described in sec-*
14 *tion 207(c)"; and*

15 (6) *in paragraph (4), by inserting after the first*
16 *sentence the following: "The Board of Trustees of such*
17 *Trust Funds shall prescribe the method of determin-*
18 *ing the costs which should be borne by the general*
19 *fund in the Treasury of carrying out the functions of*
20 *the Social Security Administration in connection*
21 *with the withholding of taxes from benefits, as de-*
22 *scribed in section 207(c), pursuant to requests by per-*
23 *sons entitled to such benefits or such persons' rep-*
24 *resentative payee."*

1 (c) *EFFECTIVE DATE.*—*The amendments made by sub-*
2 *section (b) shall apply to benefits paid on or after the first*
3 *day of the second month beginning after the month in which*
4 *this Act is enacted.*

5 **SEC. 7. TREATMENT OF PRISONERS.**

6 (a) *IMPLEMENTATION OF PROHIBITION AGAINST PAY-*
7 *MENT OF TITLE II BENEFITS TO PRISONERS.*—

8 (1) *IN GENERAL.*—*Section 202(x)(3) of the So-*
9 *cial Security Act (42 U.S.C. 402(x)(3)) is amended—*

10 (A) *by inserting “(A)” after “(3)”;* and

11 (B) *by adding at the end the following new*
12 *subparagraph:*

13 “(B)(i) *The Commissioner shall enter into an agree-*
14 *ment under this subparagraph with any interested State*
15 *or local institution comprising a jail, prison, penal institu-*
16 *tion, or correctional facility, or comprising any other insti-*
17 *tution a purpose of which is to confine individuals as de-*
18 *scribed in paragraph (1)(A)(i). Under such agreement—*

19 “(I) *the institution shall provide to the Commis-*
20 *sioner, on a monthly basis and in a manner specified*
21 *by the Commissioner, the names, social security ac-*
22 *count numbers, dates of birth, confinement commence-*
23 *ment dates, and, to the extent available to the institu-*
24 *tion, such other identifying information concerning*
25 *the individuals confined in the institution as the*

1 Commissioner may require for the purpose of carry-
2 ing out paragraph (1); and

3 “(II) the Commissioner shall pay to the institu-
4 tion, with respect to information described in sub-
5 clause (I) concerning each individual who is confined
6 therein as described in paragraph (1)(A), who receives
7 a benefit under this title for the month preceding the
8 first month of such confinement, and whose benefit
9 under this title is determined by the Commissioner to
10 be not payable by reason of confinement based on the
11 information provided by the institution, \$400 (subject
12 to reduction under clause (ii)) if the institution fur-
13 nishes the information to the Commissioner within 30
14 days after the date such individual’s confinement in
15 such institution begins, or \$200 (subject to reduction
16 under clause (ii)) if the institution furnishes the in-
17 formation after 30 days after such date but within 90
18 days after such date.

19 “(ii) The dollar amounts specified in clause (i)(II)
20 shall be reduced by 50 percent if the Commissioner is also
21 required to make a payment to the institution with respect
22 to the same individual under an agreement entered into
23 under section 1611(e)(1)(I).

24 “(iii) The provisions of section 552a of title 5, United
25 States Code, shall not apply to any agreement entered into

1 *under clause (i) or to information exchanged pursuant to*
2 *such agreement.*

3 “(iv) *There is authorized to be transferred from the*
4 *Federal Old-Age and Survivors Insurance Trust Fund and*
5 *the Federal Disability Insurance Trust Fund, as appro-*
6 *priate, such sums as may be necessary to enable the Com-*
7 *missioner to make payments to institutions required by*
8 *clause (i)(II). Sums so transferred shall be treated as direct*
9 *spending for purposes of the Balanced Budget and Emer-*
10 *gency Deficit Control Act of 1985 and excluded from budget*
11 *totals in accordance with section 13301 of the Budget En-*
12 *forcement Act of 1990.*

13 “(v) *The Commissioner is authorized to provide, on a*
14 *reimbursable basis, information obtained pursuant to*
15 *agreements entered into under clause (i) to any agency ad-*
16 *ministering a Federal or federally-assisted cash, food, or*
17 *medical assistance program for eligibility purposes.”.*

18 (2) *EFFECTIVE DATE.—The amendments made*
19 *by this subsection shall apply to individuals whose*
20 *period of confinement in an institution commences on*
21 *or after the first day of the fourth month beginning*
22 *after the month in which this Act is enacted.*

23 (b) *ELIMINATION OF TITLE II REQUIREMENT THAT*
24 *CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-*
25 *PRISONMENT FOR MORE THAN 1 YEAR.—*

1 (1) *IN GENERAL.*—Section 202(x)(1)(A) of such
2 Act (42 U.S.C. 402(x)(1)(A)) is amended—

3 (A) in the matter preceding clause (i), by
4 striking “during” and inserting “throughout”;

5 (B) in clause (i), by striking “an offense
6 punishable by imprisonment for more than 1
7 year (regardless of the actual sentence imposed)”
8 and inserting “a criminal offense”; and

9 (C) in clause (ii)(I), by striking “an offense
10 punishable by imprisonment for more than 1
11 year” and inserting “a criminal offense”.

12 (2) *EFFECTIVE DATE.*—The amendments made
13 by this subsection shall apply to individuals whose
14 period of confinement in an institution commences on
15 or after the first day of the fourth month beginning
16 after the month in which this Act is enacted.

17 (c) *CONFORMING TITLE XVI AMENDMENTS.*—

18 (1) *FIFTY PERCENT REDUCTION IN TITLE XVI*
19 *PAYMENT IN CASE INVOLVING COMPARABLE TITLE II*
20 *PAYMENT.*—Section 1611(e)(1)(I) of the Social Secu-
21 rity Act (42 U.S.C. 1382(e)(1)(I)) is amended—

22 (A) in clause (i)(II), by inserting “(subject
23 to reduction under clause (ii))” after “\$400” and
24 after “\$200”;

1 (B) by redesignating clauses (ii) and (iii)
2 as clauses (iii) and (iv) respectively; and

3 (C) by inserting after clause (i) the follow-
4 ing new clause:

5 “(ii) The dollar amounts specified in clause (i)(II)
6 shall be reduced by 50 percent if the Commissioner is also
7 required to make a payment to the institution with respect
8 to the same individual under an agreement entered into
9 under section 202(x)(3)(B).”.

10 (2) *EXPANSION OF CATEGORIES OF INSTITU-*
11 *TIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH*
12 *THE COMMISSIONER.*—Section 1611(e)(1)(I)(i) of such
13 Act (42 U.S.C. 1382(e)(1)(I)(i)) is amended in the
14 matter preceding subclause (I) by striking “institu-
15 tion” and all that follows through “section
16 202(x)(1)(A),” and inserting “institution comprising
17 a jail, prison, penal institution, or correctional facil-
18 ity, or with any other interested State or local insti-
19 tution a purpose of which is to confine individuals as
20 described in section 202(x)(1)(A)(ii),”.

21 (3) *EFFECTIVE DATE.*—The amendments made
22 by this subsection shall take effect as if included in
23 the enactment of section 203(a) of the Personal Re-
24 sponsibility and Work Opportunity Reconciliation
25 Act of 1996 (Public Law 104–193; 110 Stat. 2186).

1 *The reference to section 202(x)(1)(A)(ii) of the Social*
2 *Security Act in section 1611(e)(1)(I)(i) of such Act as*
3 *amended by paragraph (2) shall be deemed a ref-*
4 *erence to such section 202(x)(1)(A)(ii) as amended by*
5 *subsection (b)(1)(C).*

6 *(d) CONTINUED DENIAL OF BENEFITS TO SEX OF-*
7 *FENDERS REMAINING CONFINED TO PUBLIC INSTITUTIONS*
8 *UPON COMPLETION OF PRISON TERM.—*

9 *(1) IN GENERAL.—Section 202(x)(1)(A) of the*
10 *Social Security Act (42 U.S.C. 402(x)(1)(A)) is*
11 *amended—*

12 *(A) in clause (i), by striking “or” at the*
13 *end;*

14 *(B) in clause (ii)(IV), by striking the period*
15 *and inserting “, or”; and*

16 *(C) by adding at the end the following new*
17 *clause:*

18 *“(iii) immediately upon completion of confine-*
19 *ment as described in clause (i) pursuant to conviction*
20 *of a criminal offense an element of which is sexual ac-*
21 *tivity, is confined by court order in an institution at*
22 *public expense pursuant to a finding that the individ-*
23 *ual is a sexually dangerous person or a sexual preda-*
24 *tor or a similar finding.”.*

1 (2) *CONFORMING AMENDMENT.—Section*
2 *202(x)(1)(B)(ii) of such Act (42 U.S.C.*
3 *402(x)(1)(B)(ii) is amended by striking “clause (ii)”*
4 *and inserting “clauses (ii) and (iii)”.*

5 (3) *EFFECTIVE DATE.—The amendments made*
6 *by this subsection shall apply with respect to benefits*
7 *for months ending after the date of the enactment of*
8 *this Act.*

9 **SEC 8. REVOCATION BY MEMBERS OF THE CLERGY OF EX-**
10 **EMPTION FROM SOCIAL SECURITY COV-**
11 **ERAGE.**

12 (a) *IN GENERAL.—Notwithstanding section 1402(e)(4)*
13 *of the Internal Revenue Code of 1986, any exemption which*
14 *has been received under section 1402(e)(1) of such Code by*
15 *a duly ordained, commissioned, or licensed minister of a*
16 *church, a member of a religious order, or a Christian*
17 *Science practitioner, and which is effective for the taxable*
18 *year in which this Act is enacted, may be revoked by filing*
19 *an application therefor (in such form and manner, and*
20 *with such official, as may be prescribed in regulations made*
21 *under chapter 2 of such Code), if such application is filed*
22 *no later than the due date of the Federal income tax return*
23 *(including any extension thereof) for the applicant’s second*
24 *taxable year beginning after December 31, 1998. Any such*
25 *revocation shall be effective (for purposes of chapter 2 of*

1 *the Internal Revenue Code of 1986 and title II of the Social*
2 *Security Act), as specified in the application, either with*
3 *respect to the applicant's first taxable year beginning after*
4 *December 31, 1998, or with respect to the applicant's second*
5 *taxable year beginning after such date, and for all succeed-*
6 *ing taxable years; and the applicant for any such revoca-*
7 *tion may not thereafter again file application for an exemp-*
8 *tion under such section 1402(e)(1). If the application is*
9 *filed after the due date of the applicant's Federal income*
10 *tax return for a taxable year and is effective with respect*
11 *to that taxable year, it shall include or be accompanied by*
12 *payment in full of an amount equal to the total of the taxes*
13 *that would have been imposed by section 1401 of the Inter-*
14 *nal Revenue Code of 1986 with respect to all of the appli-*
15 *cant's income derived in that taxable year which would*
16 *have constituted net earnings from self-employment for pur-*
17 *poses of chapter 2 of such Code (notwithstanding section*
18 *1402 (c)(4) or (c)(5) of such Code) except for the exemption*
19 *under section 1402(e)(1) of such Code.*

20 (b) *EFFECTIVE DATE.*—Subsection (a) shall apply
21 *with respect to service performed (to the extent specified in*
22 *such subsection) in taxable years beginning after December*
23 *31, 1998, and with respect to monthly insurance benefits*
24 *payable under title II of the Social Security Act on the basis*
25 *of the wages and self-employment income of any individual*

1 *for months in or after the calendar year in which such indi-*
 2 *vidual's application for revocation (as described in such*
 3 *subsection) is effective (and lump-sum death payments pay-*
 4 *able under such title on the basis of such wages and self-*
 5 *employment income in the case of deaths occurring in or*
 6 *after such calendar year).*

7 **SEC. 9. ADDITIONAL TECHNICAL AMENDMENT RELATING**
 8 **TO COOPERATIVE RESEARCH OR DEM-**
 9 **ONSTRATION PROJECTS UNDER TITLES II**
 10 **AND XVI.**

11 *(a) IN GENERAL.—Section 1110(a)(3) of the Social Se-*
 12 *curity Act (42 U.S.C. 1310(a)(3)) is amended by striking*
 13 *“title XVI” and inserting “title II or XVI”.*

14 *(b) EFFECTIVE DATE.—The amendment made by sub-*
 15 *section (a) shall take effect as if included in the enactment*
 16 *of the Social Security Independence and Program Improve-*
 17 *ments Act of 1994 (Public Law 103–296; 108 Stat. 1464).*

Amend the title so as to read: “A bill to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to social security.”.