

106TH CONGRESS
1ST SESSION

H. R. 1180

To amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1999

Mr. LAZIO (for himself, Mr. WAXMAN, Mr. BLILEY, Mr. DINGELL, Mrs. JOHNSON of Connecticut, Mr. MATSUI, Mr. BILIRAKIS, Mr. BROWN of Ohio, Mr. RAMSTAD, Mr. CARDIN, Mr. GREENWOOD, Ms. BALDWIN, Mr. CAMP, Mr. STARK, Mr. PICKERING, Mr. PALLONE, Mr. FOLEY, Mr. LEVIN, Mr. BILBRAY, Mr. TANNER, Mrs. MORELLA, Mr. DOGGETT, Mr. HORN, Mr. MURTHA, Mr. UPTON, Mr. STRICKLAND, Mrs. KELLY, Mr. HOEFFEL, Mr. BOEHLERT, Mr. BOUCHER, Mr. KOLBE, Ms. MCCARTHY of Missouri, Mr. FRELINGHUYSEN, Mr. MARKEY, Mr. BARRETT of Wisconsin, Mr. GORDON, Mr. RUSH, Mr. WYNN, Mr. MEEHAN, Mr. DELAHUNT, Mr. BARCIA, Mr. GREEN of Texas, Mr. KLINK, and Mr. JEFFERSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration

to provide such individuals with meaningful opportunities to work, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Work Incentives Improvement Act of 1999”.

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

Sec. 1. Short title; table of contents.
 Sec. 2. Findings and purposes.

TITLE I—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

Sec. 101. Expanding State options under the medicaid program for workers with disabilities.
 Sec. 102. Continuation of medicare coverage for working individuals with disabilities.
 Sec. 103. Grants to develop and establish State infrastructures to support working individuals with disabilities.
 Sec. 104. Demonstration of coverage under the medicaid program of workers with potentially severe disabilities.

TITLE II—TICKET TO WORK AND SELF-SUFFICIENCY AND RELATED PROVISIONS

Subtitle A—Ticket to Work and Self-Sufficiency

Sec. 201. Establishment of the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Elimination of Work Disincentives

Sec. 211. Work activity standard as a basis for review of an individual’s disabled status.
 Sec. 212. Expedited reinstatement of disability benefits.

Subtitle C—Work Incentives Planning, Assistance, and Outreach

Sec. 221. Work incentives outreach program.
 Sec. 222. State grants for work incentives assistance to disabled beneficiaries.

TITLE III—DEMONSTRATION PROJECTS AND STUDIES

Sec. 301. Permanent extension of disability insurance program demonstration project authority.
 Sec. 302. Demonstration projects providing for reductions in disability insurance benefits based on earnings.

Sec. 303. Studies and reports.

TITLE IV—TECHNICAL AMENDMENTS

Sec. 401. Technical amendments relating to drug addicts and alcoholics.

Sec. 402. Treatment of prisoners.

Sec. 403. Revocation by members of the clergy of exemption from Social Security coverage.

Sec. 404. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

Sec. 405. Authorization for State to permit annual wage reports.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Health care is important to all Americans.

5 (2) Health care is particularly important to in-
6 dividuals with disabilities and special health care
7 needs who often cannot afford the insurance avail-
8 able to them through the private market, are unin-
9 surable by the plans available in the private sector,
10 and are at great risk of incurring very high and eco-
11 nomically devastating health care costs.

12 (3) Americans with significant disabilities often
13 are unable to obtain health care insurance that pro-
14 vides coverage of the services and supports that en-
15 able them to live independently and enter or rejoin
16 the workforce. Personal assistance services (such as
17 attendant services, personal assistance with trans-
18 portation to and from work, reader services, job
19 coaches, and related assistance) remove many of the
20 barriers between significant disability and work.

1 Coverage for such services, as well as for prescrip-
2 tion drugs, durable medical equipment, and basic
3 health care are powerful and proven tools for indi-
4 viduals with significant disabilities to obtain and re-
5 tain employment.

6 (4) For individuals with disabilities, the fear of
7 losing health care and related services is one of the
8 greatest barriers keeping the individuals from maxi-
9 mizing their employment, earning potential, and
10 independence.

11 (5) Individuals with disabilities who are bene-
12 ficiaries under title II or XVI of the Social Security
13 Act (42 U.S.C. 401 et seq., 1381 et seq.) risk losing
14 medicare or medicaid coverage that is linked to their
15 cash benefits, a risk that is an equal, or greater,
16 work disincentive than the loss of cash benefits asso-
17 ciated with working.

18 (6) Currently, less than $\frac{1}{2}$ of 1 percent of so-
19 cial security disability insurance and supplemental
20 security income beneficiaries cease to receive benefits
21 as a result of employment.

22 (7) Beneficiaries have cited the lack of adequate
23 employment training and placement services as an
24 additional barrier to employment.

1 (8) If an additional $\frac{1}{2}$ of 1 percent of the cur-
2 rent social security disability insurance (DI) and
3 supplemental security income (SSI) recipients were
4 to cease receiving benefits as a result of employ-
5 ment, the savings to the Social Security Trust
6 Funds in cash assistance would total
7 \$3,500,000,000 over the worklife of the individuals.

8 (b) PURPOSES.—The purposes of this Act are as fol-
9 lows:

10 (1) To provide health care and employment
11 preparation and placement services to individuals
12 with disabilities that will enable those individuals to
13 reduce their dependency on cash benefit programs.

14 (2) To encourage States to adopt the option of
15 allowing individuals with disabilities to purchase
16 medicaid coverage that is necessary to enable such
17 individuals to maintain employment.

18 (3) To provide individuals with disabilities the
19 option of maintaining medicare coverage while work-
20 ing.

21 (4) To establish a return to work ticket pro-
22 gram that will allow individuals with disabilities to
23 seek the services necessary to obtain and retain em-
24 ployment and reduce their dependency on cash ben-
25 efit programs.

1 **TITLE I—EXPANDED AVAIL-**
2 **ABILITY OF HEALTH CARE**
3 **SERVICES**

4 **SEC. 101. EXPANDING STATE OPTIONS UNDER THE MED-**
5 **ICAID PROGRAM FOR WORKERS WITH DIS-**
6 **ABILITIES.**

7 (a) IN GENERAL.—

8 (1) STATE OPTION TO ELIMINATE INCOME, AS-
9 SETS, AND RESOURCE LIMITATIONS FOR WORKERS
10 WITH DISABILITIES BUYING INTO MEDICAID.—Sec-
11 tion 1902(a)(10)(A)(ii) of the Social Security Act
12 (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

13 (A) in subclause (XIII), by striking “or”
14 at the end;

15 (B) in subclause (XIV), by adding “or” at
16 the end; and

17 (C) by adding at the end the following:

18 “(XV) who, but for earnings in
19 excess of the limit established under
20 section 1905(q)(2)(B), would be con-
21 sidered to be receiving supplemental
22 security income and whose assets, re-
23 sources, and earned or unearned in-
24 come (or both) do not exceed such

1 limitations (if any) as the State may
2 establish;”.

3 (2) STATE OPTION TO PROVIDE OPPORTUNITY
4 FOR EMPLOYED INDIVIDUALS WITH A MEDICALLY
5 IMPROVED DISABILITY TO BUY INTO MEDICAID.—

6 (A) ELIGIBILITY.—Section
7 1902(a)(10)(A)(ii) of the Social Security Act
8 (42 U.S.C. 1396a(a)(10)(A)(ii)), as amended by
9 paragraph (1), is amended—

10 (i) in subclause (XIV), by striking
11 “or” at the end;

12 (ii) in subclause (XV), by adding “or”
13 at the end; and

14 (iii) by adding at the end the fol-
15 lowing:

16 “(XVI) who are employed indi-
17 viduals with a medically improved dis-
18 ability described in section 1905(v)(1)
19 and whose assets, resources, and
20 earned or unearned income (or both)
21 do not exceed such limitations (if any)
22 as the State may establish, but only if
23 the State provides medical assistance
24 to individuals described in subclause
25 (XV);”.

1 (B) DEFINITION OF EMPLOYED INDIVID-
2 UALS WITH A MEDICALLY IMPROVED DIS-
3 ABILITY.—Section 1905 of the Social Security
4 Act (42 U.S.C. 1396d) is amended by adding at
5 the end the following:

6 “(v)(1) The term ‘employed individual with a medi-
7 cally improved disability’ means an individual who—

8 “(A) is at least 16, but less than 65, years of
9 age;

10 “(B) is employed (as defined in paragraph (2));

11 “(C) ceases to be eligible for medical assistance
12 under section 1902(a)(10)(A)(ii)(XV) because the
13 individual, by reason of medical improvement, is de-
14 termined at the time of a regularly scheduled con-
15 tinuing disability review to no longer be eligible for
16 benefits under section 223(d) or 1614(a)(3); and

17 “(D) continues to have a severe medically deter-
18 minable impairment, as determined under regula-
19 tions of the Secretary.

20 “(2) For purposes of paragraph (1), an individual is
21 considered to be ‘employed’ if the individual—

22 “(A) is earning at least the applicable minimum
23 wage requirement under section 6 of the Fair Labor
24 Standards Act (29 U.S.C. 206) and working at least
25 40 hours per month; or

1 “(B) is engaged in a work effort that meets
2 substantial and reasonable threshold criteria for
3 hours of work, wages, or other measures, as defined
4 by the State and approved by the Secretary.”.

5 (C) CONFORMING AMENDMENT.—Section
6 1905(a) of such Act (42 U.S.C. 1396d(a)) is
7 amended in the matter preceding paragraph
8 (1)—

9 (i) in clause (x), by striking “or” at
10 the end;

11 (ii) in clause (xi), by adding “or” at
12 the end; and

13 (iii) by inserting after clause (xi), the
14 following:

15 “(xii) employed individuals with a medically im-
16 proved disability (as defined in subsection (v)),”.

17 (3) STATE AUTHORITY TO IMPOSE INCOME-RE-
18 LATED PREMIUMS AND COST-SHARING.—Section
19 1916 of such Act (42 U.S.C. 1396o) is amended—

20 (A) in subsection (a), by striking “The
21 State plan” and inserting “Subject to sub-
22 section (g), the State plan”; and

23 (B) by adding at the end the following:

24 “(g) With respect to individuals provided medical as-
25 sistance only under subclause (XV) or (XVI) of section

1 1902(a)(10)(A)(ii), a State may (in a uniform manner for
2 individuals described in either such subclause)—

3 “(1) require such individuals to pay premiums
4 or other cost-sharing charges set on a sliding scale
5 based on income that the State may determine; and

6 “(2) require payment of 100 percent of such
7 premiums in the case of such an individual who has
8 income that exceeds 250 percent of the income offi-
9 cial poverty line (referred to in subsection (c)(1)) ap-
10 plicable to a family of the size involved.”.

11 (4) PROHIBITION AGAINST SUPPLANTATION OF
12 STATE FUNDS AND STATE FAILURE TO MAINTAIN
13 EFFORT.—Section 1903(i) of such Act (42 U.S.C.
14 1396b(i)) is amended—

15 (A) by striking the period at the end of
16 paragraph (18) and inserting “; or”; and

17 (B) by inserting after such paragraph the
18 following:

19 “(19) with respect to amounts expended for
20 medical assistance provided to an individual de-
21 scribed in subclause (XV) or (XVI) of section
22 1902(a)(10)(A)(ii) for a fiscal year unless the State
23 demonstrates to the satisfaction of the Secretary
24 that the level of State funds expended for such fiscal
25 year for programs to enable working individuals with

1 disabilities to work (other than for such medical as-
2 sistance) is not less than the level expended for such
3 programs during the most recent State fiscal year
4 ending before the date of enactment of this para-
5 graph.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1903(f)(4) of the Social Security
8 Act (42 U.S.C. 1396b(f)(4)) is amended in the mat-
9 ter preceding subparagraph (A) by inserting
10 “1902(a)(10)(A)(ii)(XV), 1902(a)(10)(A)(ii)(XVI)”
11 after “1902(a)(10)(A)(ii)(X),”.

12 (2) Section 1903(f)(4) of such Act, as amended
13 by paragraph (1), is amended by inserting
14 “1902(a)(10)(A)(ii)(XIII),” before
15 “1902(a)(10)(A)(ii)(XV)”.

16 (c) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (2), the amendments made by this section
19 apply to medical assistance for items and services
20 furnished on or after October 1, 1999.

21 (2) RETROACTIVITY OF CONFORMING AMEND-
22 MENT.—The amendment made by subsection (b)(2)
23 takes effect as if included in the enactment of the
24 Balanced Budget Act of 1997.

1 **SEC. 102. CONTINUATION OF MEDICARE COVERAGE FOR**
2 **WORKING INDIVIDUALS WITH DISABILITIES.**

3 (a) CONTINUATION OF COVERAGE.—

4 (1) IN GENERAL.—Section 226 of the Social
5 Security Act (42 U.S.C. 426) is amended—

6 (A) in the third sentence of subsection (b),
7 by inserting “, except as provided in subsection
8 (j)” after “but not in excess of 24 such
9 months”; and

10 (B) by adding at the end the following:

11 “(j) The 24-month limitation on deemed entitlement
12 under the third sentence of subsection (b) shall not
13 apply—

14 “(1) for months occurring during the 10-year
15 period beginning with the first month that begins
16 after the date of enactment of this subsection; and

17 “(2) for subsequent months, in the case of an
18 individual who was entitled to benefits under sub-
19 section (b) as of the last month of such 10-year pe-
20 riod and would continue (but for such 24-month lim-
21 itation) to be so entitled.”.

22 (2) CONFORMING AMENDMENT.—Section
23 1818A(a)(2)(C) of the Social Security Act (42
24 U.S.C. 1395i–2a(a)(2)(C)) is amended—

25 (A) by striking “solely”; and

1 (B) by inserting “or the expiration of the
2 last month of the 10-year period described in
3 section 226(j)” before the semicolon.

4 (b) GAO REPORT.—Not later than 8 years after the
5 date of the enactment of this Act, the Comptroller General
6 of the United States shall submit a report to Congress
7 that—

8 (1) examines the effectiveness and cost of sub-
9 section (j) of section 226 of the Social Security Act
10 (42 U.S.C. 426); and

11 (2) recommends whether that subsection should
12 continue to be applied beyond the 10-year period de-
13 scribed in the subsection.

14 (c) EFFECTIVE DATE.—The amendments made by
15 subsection (a) apply to months beginning with the first
16 month that begins after the date of the enactment of this
17 Act.

18 (d) TREATMENT OF CERTAIN INDIVIDUALS.—An in-
19 dividual enrolled under section 1818A of the Social Secu-
20 rity Act (42 U.S.C. 1395i–2a) shall be treated with re-
21 spect to premium payment obligations under such section
22 as though the individual had continued to be entitled to
23 benefits under section 226(b) of such Act for—

1 (1) months described in section 226(j)(1) of
2 such Act (42 U.S.C. 426(j)(1)) (as added by sub-
3 section (a)); and

4 (2) subsequent months, in the case of an indi-
5 vidual who was so enrolled as of the last month de-
6 scribed in section 226(j)(2) of such Act (42 U.S.C.
7 426(j)(2)) (as so added).

8 **SEC. 103. GRANTS TO DEVELOP AND ESTABLISH STATE IN-**
9 **FRASTRUCTURES TO SUPPORT WORKING IN-**
10 **DIVIDUALS WITH DISABILITIES.**

11 (a) ESTABLISHMENT.—

12 (1) IN GENERAL.—The Secretary of Health and
13 Human Services (in this section referred to as the
14 “Secretary”) shall award grants described in sub-
15 section (b) to States to support the design, establish-
16 ment, and operation of State infrastructures that
17 provide items and services to support working indi-
18 viduals with disabilities.

19 (2) APPLICATION.—In order to be eligible for
20 an award of a grant under this section, a State shall
21 submit an application to the Secretary at such time,
22 in such manner, and containing such information as
23 the Secretary shall require.

24 (3) DEFINITION OF STATE.—In this section,
25 the term “State” means each of the 50 States, the

1 District of Columbia, Puerto Rico, Guam, the
2 United States Virgin Islands, American Samoa, and
3 the Commonwealth of the Northern Mariana Is-
4 lands.

5 (b) GRANTS FOR INFRASTRUCTURE AND OUT-
6 REACH.—

7 (1) IN GENERAL.—Out of the funds appro-
8 priated under subsection (e), the Secretary shall
9 award grants to States to—

10 (A) support the establishment, implemen-
11 tation, and operation of the State infrastruc-
12 tures described in subsection (a); and

13 (B) conduct outreach campaigns regarding
14 the existence of such infrastructures.

15 (2) ELIGIBILITY FOR GRANTS.—

16 (A) IN GENERAL.—No State may receive a
17 grant under this subsection unless the State—

18 (i) has an approved amendment to the
19 State plan under title XIX of the Social
20 Security Act (42 U.S.C. 1396 et seq.) that
21 provides medical assistance under such
22 plan to individuals described in section
23 1902(a)(10)(A)(ii)(XV) of the Social Secu-
24 rity Act (42 U.S.C.
25 1396a(a)(10)(A)(ii)(XV)); and

1 (ii) demonstrates to the satisfaction of
2 the Secretary that the State makes per-
3 sonal assistance services available under
4 the State plan under title XIX of the So-
5 cial Security Act (42 U.S.C. 1396 et seq.)
6 to the extent necessary to enable individ-
7 uals described in clause (i) to remain em-
8 ployed (as determined under section
9 1905(v)(2) of the Social Security Act (42
10 U.S.C. 1396d(v)(2))).

11 (B) DEFINITION OF PERSONAL ASSIST-
12 ANCE SERVICES.—In this paragraph, the term
13 “personal assistance services” means a range of
14 services, provided by 1 or more persons, de-
15 signed to assist an individual with a disability
16 to perform daily activities on and off the job
17 that the individual would typically perform if
18 the individual did not have a disability. Such
19 services shall be designed to increase the indi-
20 vidual’s control in life and ability to perform ev-
21 eryday activities on or off the job.

22 (3) DETERMINATION OF AWARDS.—

23 (A) IN GENERAL.—Subject to subpara-
24 graph (B), the Secretary shall determine a for-
25 mula for awarding grants to States under this

1 section that provides special consideration to
2 States that provide medical assistance under
3 title XIX of the Social Security Act to individ-
4 uals described in section
5 1902(a)(10)(A)(ii)(XVI) of that Act (42 U.S.C.
6 1396a(a)(10)(A)(ii)(XVI)).

7 (B) AWARD LIMITS.—

8 (i) MINIMUM AWARDS.—

9 (I) IN GENERAL.—Subject to
10 subclause (II), no State with an ap-
11 proved application under this section
12 shall receive a grant for a fiscal year
13 that is less than \$500,000.

14 (II) PRO RATA REDUCTIONS.—If
15 the funds appropriated under sub-
16 section (e) for a fiscal year are not
17 sufficient to pay each State with an
18 application approved under this sec-
19 tion the minimum amount described
20 in subclause (I), the Secretary shall
21 pay each such State an amount equal
22 to the pro rata share of the amount
23 made available.

24 (ii) MAXIMUM AWARDS.—No State
25 with an application that has been approved

1 under this section shall receive a grant for
2 a fiscal year that exceeds 15 percent of the
3 total expenditures by the State (including
4 the reimbursed Federal share of such ex-
5 penditures) for medical assistance for indi-
6 viduals eligible under subclause (XV) and
7 (XVI) of section 1902(a)(10)(A)(ii) of the
8 Social Security Act (42 U.S.C.
9 1396a(a)(10)(A)(ii)), as estimated by the
10 State and approved by the Secretary.

11 (c) AVAILABILITY OF FUNDS.—

12 (1) FUNDS AWARDED TO STATES.—Funds
13 awarded to a State under a grant made under this
14 section for a fiscal year shall remain available until
15 expended.

16 (2) FUNDS NOT AWARDED TO STATES.—Funds
17 not awarded to States in the fiscal year for which
18 they are appropriated shall remain available in suc-
19 ceeding fiscal years for awarding by the Secretary.

20 (d) ANNUAL REPORT.—A State that is awarded a
21 grant under this section shall submit an annual report to
22 the Secretary on the use of funds provided under the
23 grant. Each report shall include the percentage increase
24 in the number of title II disability beneficiaries, as defined
25 in section 1148(k)(3) of the Social Security Act (as

1 amended by section 201) in the State, and title XVI dis-
2 ability beneficiaries, as defined in section 1148(k)(4) of
3 the Social Security Act (as so amended) in the State who
4 return to work.

5 (e) APPROPRIATION.—

6 (1) IN GENERAL.—Out of any funds in the
7 Treasury not otherwise appropriated, there is appro-
8 priated to make grants under this section—

9 (A) for fiscal year 2000, \$20,000,000;

10 (B) for fiscal year 2001, \$25,000,000;

11 (C) for fiscal year 2002, \$30,000,000;

12 (D) for fiscal year 2003, \$35,000,000;

13 (E) for fiscal year 2004, \$40,000,000; and

14 (F) for each of fiscal years 2005 through
15 2010, the amount appropriated for the pre-
16 ceding fiscal year increased by the percentage
17 increase (if any) in the Consumer Price Index
18 for All Urban Consumers (United States city
19 average) for the preceding fiscal year.

20 (2) BUDGET AUTHORITY.—This subsection con-
21 stitutes budget authority in advance of appropria-
22 tions Acts and represents the obligation of the Fed-
23 eral Government to provide for the payment of the
24 amounts appropriated under paragraph (1).

1 (f) RECOMMENDATION.—Not later than October 1,
2 2009, the Secretary, in consultation with the Work Incen-
3 tives Advisory Panel established under section 201(f),
4 shall submit a recommendation to the Committee on Com-
5 merce of the House of Representatives and the Committee
6 on Finance of the Senate regarding whether the grant pro-
7 gram established under this section should be continued
8 after fiscal year 2010.

9 **SEC. 104. DEMONSTRATION OF COVERAGE UNDER THE**
10 **MEDICAID PROGRAM OF WORKERS WITH PO-**
11 **TENTIALLY SEVERE DISABILITIES.**

12 (a) STATE APPLICATION.—A State may apply to the
13 Secretary of Health and Human Services (in this section
14 referred to as the “Secretary”) for approval of a dem-
15 onstration project (in this section referred to as a “dem-
16 onstration project”) under which up to a specified max-
17 imum number of individuals who are workers with a po-
18 tentially severe disability (as defined in subsection (b)(1))
19 are provided medical assistance equal to that provided
20 under section 1905(a) of the Social Security Act (42
21 U.S.C. 1396d(a)) to individuals described in section
22 1902(a)(10)(A)(ii)(XV) of that Act (42 U.S.C.
23 1396a(a)(10)(A)(ii)(XV)).

24 (b) WORKER WITH A POTENTIALLY SEVERE DIS-
25 ABILITY DEFINED.—For purposes of this section—

1 (1) IN GENERAL.—The term “worker with a
2 potentially severe disability” means, with respect to
3 a demonstration project, an individual who—

4 (A) is at least 16, but less than 65, years
5 of age;

6 (B) has a specific physical or mental im-
7 pairment that, as defined by the State under
8 the demonstration project, is reasonably ex-
9 pected, but for the receipt of items and services
10 described in section 1905(a) of the Social Secu-
11 rity Act (42 U.S.C. 1396d(a)), to become blind
12 or disabled (as defined under section 1614(a) of
13 the Social Security Act (42 U.S.C. 1382c(a)));
14 and

15 (C) is employed (as defined in paragraph
16 (2)).

17 (2) DEFINITION OF EMPLOYED.—An individual
18 is considered to be “employed” if the individual—

19 (A) is earning at least the applicable min-
20 imum wage requirement under section 6 of the
21 Fair Labor Standards Act (29 U.S.C. 206) and
22 working at least 40 hours per month; or

23 (B) is engaged in a work effort that meets
24 substantial and reasonable threshold criteria for
25 hours of work, wages, or other measures, as de-

1 fined under the demonstration project and ap-
2 proved by the Secretary.

3 (c) APPROVAL OF DEMONSTRATION PROJECTS.—

4 (1) IN GENERAL.—Subject to paragraph (3),
5 the Secretary shall approve applications under sub-
6 section (a) that meet the requirements of paragraph
7 (2) and such additional terms and conditions as the
8 Secretary may require. The Secretary may waive the
9 requirement of section 1902(a)(1) of the Social Se-
10 curity Act (42 U.S.C. 1396a(a)(1)) to allow for sub-
11 State demonstrations.

12 (2) TERMS AND CONDITIONS OF DEMONSTRA-
13 TION PROJECTS.—The Secretary may not approve a
14 demonstration project under this section unless the
15 State provides assurances satisfactory to the Sec-
16 retary that the following conditions are or will be
17 met:

18 (A) ELECTION OF OPTIONAL CATEGORY.—

19 The State has elected to provide coverage under
20 its plan under title XIX of the Social Security
21 Act of individuals described in section
22 1902(a)(10)(A)(ii)(XV) of the Social Security
23 Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).

24 (B) MAINTENANCE OF STATE EFFORT.—

25 Federal funds paid to a State pursuant to this

1 section must be used to supplement, but not
2 supplant, the level of State funds expended for
3 workers with potentially severe disabilities
4 under programs in effect for such individuals
5 at the time the demonstration project is ap-
6 proved under this section.

7 (C) INDEPENDENT EVALUATION.—The
8 State provides for an independent evaluation of
9 the project.

10 (3) LIMITATIONS ON FEDERAL FUNDING.—

11 (A) APPROPRIATION.—

12 (i) IN GENERAL.—Out of any funds in
13 the Treasury not otherwise appropriated,
14 there is appropriated to carry out this
15 section—

16 (I) for fiscal year 2000,
17 \$70,000,000;

18 (II) for fiscal year 2001,
19 \$73,000,000;

20 (III) for fiscal year 2002,
21 \$77,000,000; and

22 (IV) for fiscal year 2003,
23 \$80,000,000.

24 (ii) BUDGET AUTHORITY.—Clause (i)
25 constitutes budget authority in advance of

1 appropriations Acts and represents the ob-
2 ligation of the Federal Government to pro-
3 vide for the payment of the amounts ap-
4 propriated under clause (i).

5 (B) LIMITATION ON PAYMENTS.—In no
6 case may—

7 (i) the aggregate amount of payments
8 made by the Secretary to States under this
9 section exceed \$300,000,000; or

10 (ii) payments be provided by the Sec-
11 retary for a fiscal year after fiscal year
12 2005.

13 (C) FUNDS ALLOCATED TO STATES.—The
14 Secretary shall allocate funds to States based
15 on their applications and the availability of
16 funds. Funds allocated to a State under a grant
17 made under this section for a fiscal year shall
18 remain available until expended.

19 (D) FUNDS NOT ALLOCATED TO STATES.—
20 Funds not allocated to States in the fiscal year
21 for which they are appropriated shall remain
22 available in succeeding fiscal years for alloca-
23 tion by the Secretary using the allocation for-
24 mula established under this section.

1 (E) PAYMENTS TO STATES.—The Sec-
2 retary shall pay to each State with a dem-
3 onstration project approved under this section,
4 from its allocation under subparagraph (C), an
5 amount for each quarter equal to the Federal
6 medical assistance percentage (as defined in
7 section 1905(b) of the Social Security Act (42
8 U.S.C. 1395d(b)) of expenditures in the quarter
9 for medical assistance provided to workers with
10 a potentially severe disability.

11 (d) RECOMMENDATION.—Not later than October 1,
12 2002, the Secretary shall submit a recommendation to the
13 Committee on Commerce of the House of Representatives
14 and the Committee on Finance of the Senate regarding
15 whether the demonstration project established under this
16 section should be continued after fiscal year 2003.

17 (e) STATE DEFINED.—In this section, the term
18 “State” has the meaning given such term for purposes of
19 title XIX of the Social Security Act (42 U.S.C. 1396 et
20 seq.).

1 **TITLE II—TICKET TO WORK AND**
2 **SELF-SUFFICIENCY AND RE-**
3 **LATED PROVISIONS**

4 **Subtitle A—Ticket to Work and**
5 **Self-Sufficiency**

6 **SEC. 201. ESTABLISHMENT OF THE TICKET TO WORK AND**
7 **SELF-SUFFICIENCY PROGRAM.**

8 (a) IN GENERAL.—Part A of title XI of the Social
9 Security Act (42 U.S.C. 1301 et seq.) is amended by add-
10 ing after section 1147 (as added by section 8 of the Non-
11 citizen Benefit Clarification and Other Technical Amend-
12 ments Act of 1998 (Public Law 105–306; 112 Stat.
13 2928)) the following:

14 “TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

15 “SEC. 1148. (a) IN GENERAL.—The Commissioner
16 shall establish a Ticket to Work and Self-Sufficiency Pro-
17 gram, under which a disabled beneficiary may use a ticket
18 to work and self-sufficiency issued by the Commissioner
19 in accordance with this section to obtain employment serv-
20 ices, vocational rehabilitation services, or other support
21 services from an employment network which is of the bene-
22 ficiary’s choice and which is willing to provide such serv-
23 ices to the beneficiary.

24 “(b) TICKET SYSTEM.—

1 “(1) DISTRIBUTION OF TICKETS.—The Com-
2 missioner may issue a ticket to work and self-suffi-
3 ciency to disabled beneficiaries for participation in
4 the Program.

5 “(2) ASSIGNMENT OF TICKETS.—A disabled
6 beneficiary holding a ticket to work and self-suffi-
7 ciency may assign the ticket to any employment net-
8 work of the beneficiary’s choice which is serving
9 under the Program and is willing to accept the as-
10 signment.

11 “(3) TICKET TERMS.—A ticket issued under
12 paragraph (1) shall consist of a document which evi-
13 dences the Commissioner’s agreement to pay (as
14 provided in paragraph (4)) an employment network,
15 which is serving under the Program and to which
16 such ticket is assigned by the beneficiary, for such
17 employment services, vocational rehabilitation serv-
18 ices, and other support services as the employment
19 network may provide to the beneficiary.

20 “(4) PAYMENTS TO EMPLOYMENT NET-
21 WORKS.—The Commissioner shall pay an employ-
22 ment network under the Program in accordance with
23 the outcome payment system under subsection
24 (h)(2) or under the outcome-milestone payment sys-
25 tem under subsection (h)(3) (whichever is elected

1 pursuant to subsection (h)(1)). An employment net-
2 work may not request or receive compensation for
3 such services from the beneficiary.

4 “(c) STATE PARTICIPATION.—

5 “(1) IN GENERAL.—Each State agency admin-
6 istering or supervising the administration of the
7 State plan approved under title I of the Rehabilita-
8 tion Act of 1973 may elect to participate in the Pro-
9 gram as an employment network with respect to a
10 disabled beneficiary. If the State agency does elect
11 to participate in the Program, the State agency also
12 shall elect to be paid under the outcome payment
13 system or the outcome-milestone payment system in
14 accordance with subsection (h)(1). With respect to a
15 disabled beneficiary that the State agency does not
16 elect to have participate in the Program, the State
17 agency shall be paid for services provided to that
18 beneficiary under the system for payment applicable
19 under section 222(d) and subsections (d) and (e) of
20 section 1615. The Commissioner shall provide for
21 periodic opportunities for exercising such elections
22 (and revocations).

23 “(2) EFFECT OF PARTICIPATION BY STATE
24 AGENCY.—

1 “(A) STATE AGENCIES PARTICIPATING.—

2 In any case in which a State agency described
3 in paragraph (1) elects under that paragraph to
4 participate in the Program, the employment
5 services, vocational rehabilitation services, and
6 other support services which, upon assignment
7 of tickets to work and self-sufficiency, are pro-
8 vided to disabled beneficiaries by the State
9 agency acting as an employment network shall
10 be governed by plans for vocational rehabilita-
11 tion services approved under title I of the Reha-
12 bilitation Act of 1973.

13 “(B) STATE AGENCIES ADMINISTERING
14 MATERNAL AND CHILD HEALTH SERVICES PRO-
15 GRAMS.—Subparagraph (A) shall not apply
16 with respect to any State agency administering
17 a program under title V of this Act.

18 “(3) SPECIAL REQUIREMENTS APPLICABLE TO
19 CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—

20 “(A) IN GENERAL.—In any case in which
21 an employment network has been assigned a
22 ticket to work and self-sufficiency by a disabled
23 beneficiary, no State agency shall be deemed re-
24 quired, under this section, title I of the Work-
25 force Investment Act of 1998, title I of the Re-

1 habilitation Act of 1973, or a State plan ap-
2 proved under such title, to accept any referral
3 of such disabled beneficiary from such employ-
4 ment network unless such employment network
5 and such State agency have entered into a writ-
6 ten agreement that meets the requirements of
7 subparagraph (B). Any beneficiary who has as-
8 signed a ticket to work and self-sufficiency to
9 an employment network that has not entered
10 into such a written agreement with such a
11 State agency may not access vocational rehabili-
12 tation services under title I of the Rehabilita-
13 tion Act of 1973 until such time as the bene-
14 ficiary is reassigned to a State vocational reha-
15 bilitation agency by the Program Manager.

16 “(B) TERMS OF AGREEMENT.—An agree-
17 ment required by subparagraph (A) shall speci-
18 fy, in accordance with regulations prescribed
19 pursuant to subparagraph (C)—

20 “(i) the extent (if any) to which the
21 employment network holding the ticket will
22 provide to the State agency—

23 “(I) reimbursement for costs in-
24 curred in providing services described

1 in subparagraph (A) to the disabled
2 beneficiary; and

3 “(II) other amounts from pay-
4 ments made by the Commissioner to
5 the employment network pursuant to
6 subsection (h); and

7 “(ii) any other conditions that may be
8 required by such regulations.

9 “(C) REGULATIONS.—The Commissioner
10 and the Secretary of Education shall jointly
11 prescribe regulations specifying the terms of
12 agreements required by subparagraph (A) and
13 otherwise necessary to carry out the provisions
14 of this paragraph.

15 “(D) PENALTY.—No payment may be
16 made to an employment network pursuant to
17 subsection (h) in connection with services pro-
18 vided to any disabled beneficiary if such em-
19 ployment network makes referrals described in
20 subparagraph (A) in violation of the terms of
21 the agreement required under subparagraph (A)
22 or without having entered into such an agree-
23 ment.

24 “(d) RESPONSIBILITIES OF THE COMMISSIONER.—

1 “(1) SELECTION AND QUALIFICATIONS OF PRO-
2 GRAM MANAGERS.—The Commissioner shall enter
3 into agreements with 1 or more organizations in the
4 private or public sector for service as a program
5 manager to assist the Commissioner in admin-
6 istering the Program. Any such program manager
7 shall be selected by means of a competitive bidding
8 process, from among organizations in the private or
9 public sector with available expertise and experience
10 in the field of vocational rehabilitation and employ-
11 ment services.

12 “(2) TENURE, RENEWAL, AND EARLY TERMI-
13 NATION.—Each agreement entered into under para-
14 graph (1) shall provide for early termination upon
15 failure to meet performance standards which shall be
16 specified in the agreement and which shall be
17 weighted to take into account any performance in
18 prior terms. Such performance standards shall
19 include—

20 “(A) measures for ease of access by bene-
21 ficiaries to services; and

22 “(B) measures for determining the extent
23 to which failures in obtaining services for bene-
24 ficiaries fall within acceptable parameters, as
25 determined by the Commissioner.

1 “(3) PRECLUSION FROM DIRECT PARTICIPA-
2 TION IN DELIVERY OF SERVICES IN OWN SERVICE
3 AREA.—Agreements under paragraph (1) shall
4 preclude—

5 “(A) direct participation by a program
6 manager in the delivery of employment services,
7 vocational rehabilitation services, or other sup-
8 port services to beneficiaries in the service area
9 covered by the program manager’s agreement;
10 and

11 “(B) the holding by a program manager of
12 a financial interest in an employment network
13 or service provider which provides services in a
14 geographic area covered under the program
15 manager’s agreement.

16 “(4) SELECTION OF EMPLOYMENT NET-
17 WORKS.—

18 “(A) IN GENERAL.—The Commissioner
19 shall select and enter into agreements with em-
20 ployment networks for service under the Pro-
21 gram. Such employment networks shall be in
22 addition to State agencies serving as employ-
23 ment networks pursuant to elections under sub-
24 section (c).

1 “(B) ALTERNATE PARTICIPANTS.—In any
2 State where the Program is being implemented,
3 the Commissioner shall enter into an agreement
4 with any alternate participant that is operating
5 under the authority of section 222(d)(2) in the
6 State as of the date of enactment of this section
7 and chooses to serve as an employment network
8 under the Program.

9 “(5) TERMINATION OF AGREEMENTS WITH EM-
10 PLOYMENT NETWORKS.—The Commissioner shall
11 terminate agreements with employment networks for
12 inadequate performance, as determined by the Com-
13 missioner.

14 “(6) QUALITY ASSURANCE.—The Commissioner
15 shall provide for such periodic reviews as are nec-
16 essary to provide for effective quality assurance in
17 the provision of services by employment networks.
18 The Commissioner shall solicit and consider the
19 views of consumers and the program manager under
20 which the employment networks serve and shall con-
21 sult with providers of services to develop perform-
22 ance measurements. The Commissioner shall ensure
23 that the results of the periodic reviews are made
24 available to beneficiaries who are prospective service
25 recipients as they select employment networks. The

1 Commissioner shall ensure that the periodic surveys
2 of beneficiaries receiving services under the Program
3 are designed to measure customer service satisfac-
4 tion.

5 “(7) DISPUTE RESOLUTION.—The Commis-
6 sioner shall provide for a mechanism for resolving
7 disputes between beneficiaries and employment net-
8 works, between program managers and employment
9 networks, and between program managers and pro-
10 viders of services. The Commissioner shall afford a
11 party to such a dispute a reasonable opportunity for
12 a full and fair review of the matter in dispute.

13 “(e) PROGRAM MANAGERS.—

14 “(1) IN GENERAL.—A program manager shall
15 conduct tasks appropriate to assist the Commis-
16 sioner in carrying out the Commissioner’s duties in
17 administering the Program.

18 “(2) RECRUITMENT OF EMPLOYMENT NET-
19 WORKS.—A program manager shall recruit, and rec-
20 ommend for selection by the Commissioner, employ-
21 ment networks for service under the Program. The
22 program manager shall carry out such recruitment
23 and provide such recommendations, and shall mon-
24 itor all employment networks serving in the Program
25 in the geographic area covered under the program

1 manager's agreement, to the extent necessary and
2 appropriate to ensure that adequate choices of serv-
3 ices are made available to beneficiaries. Employment
4 networks may serve under the Program only pursu-
5 ant to an agreement entered into with the Commis-
6 sioner under the Program incorporating the applica-
7 ble provisions of this section and regulations there-
8 under, and the program manager shall provide and
9 maintain assurances to the Commissioner that pay-
10 ment by the Commissioner to employment networks
11 pursuant to this section is warranted based on com-
12 pliance by such employment networks with the terms
13 of such agreement and this section. The program
14 manager shall not impose numerical limits on the
15 number of employment networks to be recommended
16 pursuant to this paragraph.

17 “(3) FACILITATION OF ACCESS BY BENE-
18 FICIARIES TO EMPLOYMENT NETWORKS.—A pro-
19 gram manager shall facilitate access by beneficiaries
20 to employment networks. The program manager
21 shall ensure that each beneficiary is allowed changes
22 in employment networks for good cause, as deter-
23 mined by the Commissioner, without being deemed
24 to have rejected services under the Program. The
25 program manager shall establish and maintain lists

1 of employment networks available to beneficiaries
2 and shall make such lists generally available to the
3 public. The program manager shall ensure that all
4 information provided to disabled beneficiaries pursu-
5 ant to this paragraph is provided in accessible for-
6 mats.

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

14 “(5) REASONABLE ACCESS TO SERVICES.—The
15 program manager shall take such measures as are
16 necessary to ensure that sufficient employment net-
17 works are available and that each beneficiary receiv-
18 ing services under the Program has reasonable ac-
19 cess to employment services, vocational rehabilitation
20 services, and other support services. Services pro-
21 vided under the Program may include case manage-
22 ment, work incentives planning, supported employ-
23 ment, career planning, career plan development, vo-
24 cational assessment, job training, placement, fol-
25 lowup services, and such other services as may be

1 specified by the Commissioner under the Program.
2 The program manager shall ensure that such serv-
3 ices are available in each service area.

4 “(f) EMPLOYMENT NETWORKS.—

5 “(1) QUALIFICATIONS FOR EMPLOYMENT NET-
6 WORKS.—

7 “(A) IN GENERAL.—Each employment net-
8 work serving under the Program shall consist of
9 an agency or instrumentality of a State (or a
10 political subdivision thereof) or a private entity
11 that assumes responsibility for the coordination
12 and delivery of services under the Program to
13 individuals assigning to the employment net-
14 work tickets to work and self-sufficiency issued
15 under subsection (b).

16 “(B) ONE-STOP DELIVERY SYSTEMS.—An
17 employment network serving under the Pro-
18 gram may consist of a one-stop delivery system
19 established under subtitle B of title I of the
20 Workforce Investment Act of 1998.

21 “(C) COMPLIANCE WITH SELECTION CRI-
22 TERIA.—No employment network may serve
23 under the Program unless it meets and main-
24 tains compliance with both general selection cri-
25 teria (such as professional and educational

1 qualifications (where applicable)) and specific
2 selection criteria (such as substantial expertise
3 and experience in providing relevant employ-
4 ment services and supports).

5 “(D) SINGLE OR ASSOCIATED PROVIDERS
6 ALLOWED.—An employment network shall con-
7 sist of either a single provider of such services
8 or of an association of such providers organized
9 so as to combine their resources into a single
10 entity. An employment network may meet the
11 requirements of subsection (e)(4) by providing
12 services directly, or by entering into agreements
13 with other individuals or entities providing ap-
14 propriate employment services, vocational reha-
15 bilitation services, or other support services.

16 “(2) REQUIREMENTS RELATING TO PROVISION
17 OF SERVICES.—Each employment network serving
18 under the Program shall be required under the
19 terms of its agreement with the Commissioner to—

20 “(A) serve prescribed service areas; and

21 “(B) take such measures as are necessary
22 to ensure that employment services, vocational
23 rehabilitation services, and other support serv-
24 ices provided under the Program by, or under
25 agreements entered into with, the employment

1 network are provided under appropriate indi-
2 vidual work plans meeting the requirements of
3 subsection (g).

4 “(3) ANNUAL FINANCIAL REPORTING.—Each
5 employment network shall meet financial reporting
6 requirements as prescribed by the Commissioner.

7 “(4) PERIODIC OUTCOMES REPORTING.—Each
8 employment network shall prepare periodic reports,
9 on at least an annual basis, itemizing for the covered
10 period specific outcomes achieved with respect to
11 specific services provided by the employment net-
12 work. Such reports shall conform to a national
13 model prescribed under this section. Each employ-
14 ment network shall provide a copy of the latest re-
15 port issued by the employment network pursuant to
16 this paragraph to each beneficiary upon enrollment
17 under the Program for services to be received
18 through such employment network. Upon issuance of
19 each report to each beneficiary, a copy of the report
20 shall be maintained in the files of the employment
21 network. The program manager shall ensure that
22 copies of all such reports issued under this para-
23 graph are made available to the public under reason-
24 able terms.

25 “(g) INDIVIDUAL WORK PLANS.—

1 “(1) REQUIREMENTS.—Each employment net-
2 work shall—

3 “(A) take such measures as are necessary
4 to ensure that employment services, vocational
5 rehabilitation services, and other support serv-
6 ices provided under the Program by, or under
7 agreements entered into with, the employment
8 network are provided under appropriate indi-
9 vidual work plans that meet the requirements of
10 subparagraph (C);

11 “(B) develop and implement each such in-
12 dividual work plan in partnership with each
13 beneficiary receiving such services in a manner
14 that affords the beneficiary the opportunity to
15 exercise informed choice in selecting an employ-
16 ment goal and specific services needed to
17 achieve that employment goal;

18 “(C) ensure that each individual work plan
19 includes at least—

20 “(i) a statement of the vocational goal
21 developed with the beneficiary;

22 “(ii) a statement of the services and
23 supports that have been deemed necessary
24 for the beneficiary to accomplish that goal;

1 “(iii) a statement of any terms and
2 conditions related to the provision of such
3 services and supports; and

4 “(iv) a statement of understanding re-
5 garding the beneficiary’s rights under the
6 Program (such as the right to retrieve the
7 ticket to work and self-sufficiency if the
8 beneficiary is dissatisfied with the services
9 being provided by the employment net-
10 work) and remedies available to the indi-
11 vidual, including information on the avail-
12 ability of advocacy services and assistance
13 in resolving disputes through the State
14 grant program authorized under section
15 1150;

16 “(D) provide a beneficiary the opportunity
17 to amend the individual work plan if a change
18 in circumstances necessitates a change in the
19 plan; and

20 “(E) make each beneficiary’s individual
21 work plan available to the beneficiary in, as ap-
22 propriate, an accessible format chosen by the
23 beneficiary.

24 “(2) EFFECTIVE UPON WRITTEN APPROVAL.—
25 A beneficiary’s individual work plan shall take effect

1 upon written approval by the beneficiary or a rep-
2 resentative of the beneficiary and a representative of
3 the employment network that, in providing such
4 written approval, acknowledges assignment of the
5 beneficiary's ticket to work and self-sufficiency.

6 “(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

7 “(1) ELECTION OF PAYMENT SYSTEM BY EM-
8 PLOYMENT NETWORKS.—

9 “(A) IN GENERAL.—The Program shall
10 provide for payment authorized by the Commis-
11 sioner to employment networks under either an
12 outcome payment system or an outcome-mile-
13 stone payment system. Each employment net-
14 work shall elect which payment system will be
15 utilized by the employment network, and, for
16 such period of time as such election remains in
17 effect, the payment system so elected shall be
18 utilized exclusively in connection with such em-
19 ployment network (except as provided in sub-
20 paragraph (B)).

21 “(B) NO CHANGE IN METHOD OF PAY-
22 MENT FOR BENEFICIARIES WITH TICKETS AL-
23 READY ASSIGNED TO THE EMPLOYMENT NET-
24 WORKS.—Any election of a payment system by
25 an employment network that would result in a

1 change in the method of payment to the em-
2 ployment network for services provided to a
3 beneficiary who is receiving services from the
4 employment network at the time of the election
5 shall not be effective with respect to payment
6 for services provided to that beneficiary and the
7 method of payment previously selected shall
8 continue to apply with respect to such services.

9 “(2) OUTCOME PAYMENT SYSTEM.—

10 “(A) IN GENERAL.—The outcome payment
11 system shall consist of a payment structure gov-
12 erning employment networks electing such sys-
13 tem under paragraph (1)(A) which meets the
14 requirements of this paragraph.

15 “(B) PAYMENTS MADE DURING OUTCOME
16 PAYMENT PERIOD.—The outcome payment sys-
17 tem shall provide for a schedule of payments to
18 an employment network in connection with each
19 individual who is a beneficiary for each month
20 during the individual’s outcome payment period
21 for which benefits (described in paragraphs (3)
22 and (4) of subsection (k)) are not payable to
23 such individual because of work or earnings.

24 “(C) COMPUTATION OF PAYMENTS TO EM-
25 PLOYMENT NETWORK.—The payment schedule

1 of the outcome payment system shall be de-
2 signed so that—

3 “(i) the payment for each of the 60
4 months during the outcome payment pe-
5 riod for which benefits (described in para-
6 graphs (3) and (4) of subsection (k)) are
7 not payable is equal to a fixed percentage
8 of the payment calculation base for the cal-
9 endar year in which such month occurs;
10 and

11 “(ii) such fixed percentage is set at a
12 percentage which does not exceed 40 per-
13 cent.

14 “(3) OUTCOME-MILESTONE PAYMENT SYS-
15 TEM.—

16 “(A) IN GENERAL.—The outcome-mile-
17 stone payment system shall consist of a pay-
18 ment structure governing employment networks
19 electing such system under paragraph (1)(A)
20 which meets the requirements of this para-
21 graph.

22 “(B) EARLY PAYMENTS UPON ATTAIN-
23 MENT OF MILESTONES IN ADVANCE OF OUT-
24 COME PAYMENT PERIODS.—The outcome-mile-
25 stone payment system shall provide for 1 or

1 more milestones with respect to beneficiaries re-
2 ceiving services from an employment network
3 under the Program that are directed toward the
4 goal of permanent employment. Such milestones
5 shall form a part of a payment structure that
6 provides, in addition to payments made during
7 outcome payment periods, payments made prior
8 to outcome payment periods in amounts based
9 on the attainment of such milestones.

10 “(C) LIMITATION ON TOTAL PAYMENTS TO
11 EMPLOYMENT NETWORK.—The payment sched-
12 ule of the outcome-milestone payment system
13 shall be designed so that the total of the pay-
14 ments to the employment network with respect
15 to each beneficiary is less than, on a net
16 present value basis (using an interest rate de-
17 termined by the Commissioner that appro-
18 priately reflects the cost of funds faced by pro-
19 viders), the total amount to which payments to
20 the employment network with respect to the
21 beneficiary would be limited if the employment
22 network were paid under the outcome payment
23 system.

24 “(4) DEFINITIONS.—In this subsection:

1 “(A) PAYMENT CALCULATION BASE.—The
2 term ‘payment calculation base’ means, for any
3 calendar year—

4 “(i) in connection with a title II dis-
5 ability beneficiary, the average disability
6 insurance benefit payable under section
7 223 for all beneficiaries for months during
8 the preceding calendar year; and

9 “(ii) in connection with a title XVI
10 disability beneficiary (who is not concur-
11 rently a title II disability beneficiary), the
12 average payment of supplemental security
13 income benefits based on disability payable
14 under title XVI (excluding State sup-
15 plementation) for months during the pre-
16 ceding calendar year to all beneficiaries
17 who have attained age 18 but have not at-
18 tained age 65.

19 “(B) OUTCOME PAYMENT PERIOD.—The
20 term ‘outcome payment period’ means, in con-
21 nection with any individual who had assigned a
22 ticket to work and self-sufficiency to an employ-
23 ment network under the Program, a period—

24 “(i) beginning with the first month,
25 ending after the date on which such ticket

1 was assigned to the employment network,
2 for which benefits (described in paragraphs
3 (3) and (4) of subsection (k)) are not pay-
4 able to such individual by reason of en-
5 gagement in substantial gainful activity or
6 by reason of earnings from work activity;
7 and

8 “(ii) ending with the 60th month
9 (consecutive or otherwise), ending after
10 such date, for which such benefits are not
11 payable to such individual by reason of en-
12 gagement in substantial gainful activity or
13 by reason of earnings from work activity.

14 “(5) PERIODIC REVIEW AND ALTERATIONS OF
15 PRESCRIBED SCHEDULES.—

16 “(A) PERCENTAGES AND PERIODS.—The
17 Commissioner shall periodically review the per-
18 centage specified in paragraph (2)(C), the total
19 payments permissible under paragraph (3)(C),
20 and the period of time specified in paragraph
21 (4)(B) to determine whether such percentages,
22 such permissible payments, and such period
23 provide an adequate incentive for employment
24 networks to assist beneficiaries to enter the
25 workforce, while providing for appropriate

1 economies. The Commissioner may alter such
2 percentage, such total permissible payments, or
3 such period of time to the extent that the Com-
4 missioner determines, on the basis of the Com-
5 missioner's review under this paragraph, that
6 such an alteration would better provide the in-
7 centive and economies described in the pre-
8 ceding sentence.

9 “(B) NUMBER AND AMOUNTS OF MILE-
10 STONE PAYMENTS.—The Commissioner shall
11 periodically review the number and amounts of
12 milestone payments established by the Commis-
13 sioner pursuant to this section to determine
14 whether they provide an adequate incentive for
15 employment networks to assist beneficiaries to
16 enter the workforce, taking into account infor-
17 mation provided to the Commissioner by pro-
18 gram managers, the Work Incentives Advisory
19 Panel established under section 201(f) of the
20 Work Incentives Improvement Act of 1999, and
21 other reliable sources. The Commissioner may
22 from time to time alter the number and
23 amounts of milestone payments initially estab-
24 lished by the Commissioner pursuant to this
25 section to the extent that the Commissioner de-

1 termines that such an alteration would allow an
2 adequate incentive for employment networks to
3 assist beneficiaries to enter the workforce. Such
4 alteration shall be based on information pro-
5 vided to the Commissioner by program man-
6 agers, the Work Incentives Advisory Panel es-
7 tablished under section 201(f) of the Work In-
8 centives Improvement Act of 1999, or other re-
9 liable sources.

10 “(i) SUSPENSION OF DISABILITY REVIEWS.—During
11 any period for which an individual is using, as defined by
12 the Commissioner, a ticket to work and self-sufficiency
13 issued under this section, the Commissioner (and any ap-
14 plicable State agency) may not initiate a continuing dis-
15 ability review or other review under section 221 of whether
16 the individual is or is not under a disability or a review
17 under title XVI similar to any such review under section
18 221.

19 “(j) ALLOCATION OF COSTS.—

20 “(1) PAYMENTS TO EMPLOYMENT NET-
21 WORKS.—Payments to employment networks (in-
22 cluding State agencies that elect to participate in the
23 Program as an employment network) shall be made
24 from the Federal Old-Age and Survivors Insurance
25 Trust Fund or the Federal Disability Insurance

1 Trust Fund, as appropriate, in the case of ticketed
2 title II disability beneficiaries who return to work, or
3 from the appropriation made available for making
4 supplemental security income payments under title
5 XVI, in the case of title XVI disability beneficiaries
6 who return to work. With respect to ticketed bene-
7 ficiaries who concurrently are entitled to benefits
8 under title II and eligible for payments under title
9 XVI who return to work, the Commissioner shall al-
10 locate the cost of payments to employment networks
11 to which the tickets of such beneficiaries have been
12 assigned among such Trust Funds and appropria-
13 tion, as appropriate.

14 “(2) ADMINISTRATIVE EXPENSES.—The costs
15 of administering this section (other than payments
16 to employment networks) shall be paid from
17 amounts made available for the administration of
18 title II and amounts made available for the adminis-
19 tration of title XVI, and shall be allocated among
20 those amounts as appropriate.

21 “(k) DEFINITIONS.—In this section:

22 “(1) COMMISSIONER.—The term ‘Commis-
23 sioner’ means the Commissioner of Social Security.

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

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

12 “(4) TITLE XVI DISABILITY BENEFICIARY.—
13 The term ‘title XVI disability beneficiary’ means an
14 individual eligible for supplemental security income
15 benefits under title XVI on the basis of blindness
16 (within the meaning of section 1614(a)(2)) or dis-
17 ability (within the meaning of section 1614(a)(3)).
18 An individual is a title XVI disability beneficiary for
19 each month for which such individual is eligible for
20 such benefits.

21 “(5) SUPPLEMENTAL SECURITY INCOME BEN-
22 EFIT UNDER TITLE XVI.—The term ‘supplemental
23 security income benefit under title XVI’ means a
24 cash benefit under section 1611 or 1619(a), and

1 does not include a State supplementary payment,
2 administered federally or otherwise.

3 “(l) REGULATIONS.—Not later than 1 year after the
4 date of enactment of this section, the Commissioner shall
5 prescribe such regulations as are necessary to carry out
6 the provisions of this section.

7 “(m) REAUTHORIZATION OF PROGRAM.—

8 “(1) IN GENERAL.—The Program established
9 under this section shall terminate on the date that
10 is 5 years after the date that the Commissioner com-
11 mences implementation of the Program.

12 “(2) ASSURANCE OF OUTCOME PAYMENT PE-
13 RIOD.—Notwithstanding paragraph (1)—

14 “(A) any individual who has initiated a
15 work plan in accordance with subsection (g)
16 may use services provided under the Program
17 in accordance with this section; and

18 “(B) any employment network that pro-
19 vides services to such an individual shall receive
20 payments for such services,
21 during the individual’s outcome payment period (as
22 defined in paragraph (4)(B) of subsection (h), in-
23 cluding any alteration of such period in accordance
24 with paragraph (5) of that subsection).”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) AMENDMENTS TO TITLE II.—

2 (A) Section 221(i) of the Social Security
3 Act (42 U.S.C. 421(i)) is amended by adding at
4 the end the following:

5 “(5) For suspension of reviews under this subsection
6 in the case of an individual using a ticket to work and
7 self-sufficiency, see section 1148(i).”.

8 (B) Section 222(a) of the Social Security
9 Act (42 U.S.C. 422(a)) is repealed.

10 (C) Section 222(b) of the Social Security
11 Act (42 U.S.C. 422(b)) is repealed.

12 (D) Section 225(b)(1) of the Social Secu-
13 rity Act (42 U.S.C. 425(b)(1)) is amended by
14 striking “a program of vocational rehabilitation
15 services” and inserting “a program consisting
16 of the Ticket to Work and Self-Sufficiency Pro-
17 gram under section 1148 or another program of
18 vocational rehabilitation services, employment
19 services, or other support services”.

20 (2) AMENDMENTS TO TITLE XVI.—

21 (A) Section 1615(a) of the Social Security
22 Act (42 U.S.C. 1382d(a)) is amended to read
23 as follows:

24 “SEC. 1615. (a) In the case of any blind or disabled
25 individual who—

1 “(1) has not attained age 16, and
2 “(2) with respect to whom benefits are paid
3 under this title,
4 the Commissioner of Social Security shall make provision
5 for referral of such individual to the appropriate State
6 agency administering the State program under title V.”.

7 (B) Section 1615(c) of the Social Security
8 Act (42 U.S.C. 1382d(c)) is repealed.

9 (C) Section 1631(a)(6)(A) of the Social
10 Security Act (42 U.S.C. 1383(a)(6)(A)) is
11 amended by striking “a program of vocational
12 rehabilitation services” and inserting “a pro-
13 gram consisting of the Ticket to Work and Self-
14 Sufficiency Program under section 1148 or an-
15 other program of vocational rehabilitation serv-
16 ices, employment services, or other support
17 services”.

18 (D) Section 1633(c) of the Social Security
19 Act (42 U.S.C. 1383b(c)) is amended—

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

21 (ii) by adding at the end the fol-

22 lowing:

23 “(2) For suspension of continuing disability reviews
24 and other reviews under this title similar to reviews under

1 section 221 in the case of an individual using a ticket to
2 work and self-sufficiency, see section 1148(i).”.

3 (c) EFFECTIVE DATE.—Subject to subsection (d),
4 the amendments made by subsections (a) and (b) shall
5 take effect with the first month following 1 year after the
6 date of enactment of this Act.

7 (d) GRADUATED IMPLEMENTATION OF PROGRAM.—

8 (1) IN GENERAL.—Not later than 1 year after
9 the date of enactment of this Act, the Commissioner
10 of Social Security shall commence implementation of
11 the amendments made by this section (other than
12 paragraphs (1)(C) and (2)(B) of subsection (b)) in
13 graduated phases at phase-in sites selected by the
14 Commissioner. Such phase-in sites shall be selected
15 so as to ensure, prior to full implementation of the
16 Ticket to Work and Self-Sufficiency Program, the
17 development and refinement of referral processes,
18 payment systems, computer linkages, management
19 information systems, and administrative processes
20 necessary to provide for full implementation of such
21 amendments. Subsection (c) shall apply with respect
22 to paragraphs (1)(C) and (2)(B) of subsection (b)
23 without regard to this subsection.

24 (2) REQUIREMENTS.—Implementation of the
25 Program at each phase-in site shall be carried out

1 on a wide enough scale to permit a thorough evalua-
2 tion of the alternative methods under consideration,
3 so as to ensure that the most efficacious methods
4 are determined and in place for full implementation
5 of the Program on a timely basis.

6 (3) FULL IMPLEMENTATION.—The Commis-
7 sioner shall ensure that the ability to provide tickets
8 and services to individuals under the Program exists
9 in every State as soon as practicable on or after the
10 effective date specified in subsection (c) but not later
11 than 3 years after such date.

12 (4) ONGOING EVALUATION OF PROGRAM.—

13 (A) IN GENERAL.—The Commissioner
14 shall design and conduct a series of evaluations
15 to assess the cost-effectiveness of activities car-
16 ried out under this section and the amendments
17 made thereby, as well as the effects of this sec-
18 tion and the amendments made thereby on
19 work outcomes for beneficiaries receiving tickets
20 to work and self-sufficiency under the Program.

21 (B) CONSULTATION.—The Commissioner
22 shall design and carry out the series of evalua-
23 tions after receiving relevant advice from ex-
24 perts in the fields of disability, vocational reha-
25 bilitation, and program evaluation and individ-

1 uals using tickets to work and self-sufficiency
2 under the Program and consulting with the
3 Work Incentives Advisory Panel established
4 under section 201(f), the Comptroller General
5 of the United States, other agencies of the Fed-
6 eral Government, and private organizations
7 with appropriate expertise.

8 (C) METHODOLOGY.—

9 (i) IMPLEMENTATION.—The Commis-
10 sioner, in consultation with the Work In-
11 centives Advisory Panel established under
12 section 201(f), shall ensure that plans for
13 evaluations and data collection methods
14 under the Program are appropriately de-
15 signed to obtain detailed employment infor-
16 mation.

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

20 (I) the annual cost (including net
21 cost) of the Program and the annual
22 cost (including net cost) that would
23 have been incurred in the absence of
24 the Program;

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

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

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

22 (V) the employment outcomes,
23 including wages, occupations, benefits,
24 and hours worked, of beneficiaries
25 who return to work after receiving

1 tickets under the Program and those
2 who return to work without receiving
3 such tickets;

4 (VI) the characteristics of pro-
5 viders whose services are provided
6 within an employment network under
7 the Program;

8 (VII) the extent (if any) to which
9 employment networks display a great-
10 er willingness to provide services to
11 beneficiaries with a range of disabil-
12 ities;

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

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

23 (X) reasons for (including com-
24 ments solicited from beneficiaries re-
25 garding) their choice not to use their

1 tickets or their inability to return to
2 work despite the use of their tickets.

3 (D) PERIODIC EVALUATION REPORTS.—

4 Following the close of the third and fifth fiscal
5 years ending after the effective date under sub-
6 section (c), and prior to the close of the seventh
7 fiscal year ending after such date, the Commis-
8 sioner shall transmit to the Committee on Ways
9 and Means of the House of Representatives and
10 the Committee on Finance of the Senate a re-
11 port containing the Commissioner's evaluation
12 of the progress of activities conducted under the
13 provisions of this section and the amendments
14 made thereby. Each such report shall set forth
15 the Commissioner's evaluation of the extent to
16 which the Program has been successful and the
17 Commissioner's conclusions on whether or how
18 the Program should be modified. Each such re-
19 port shall include such data, findings, materials,
20 and recommendations as the Commissioner may
21 consider appropriate.

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

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

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

10 (ii) the authority of the Commissioner
11 under section 222(d)(2) of the Social Secu-
12 rity Act to provide vocational rehabilitation
13 services in such State by agreement or
14 contract with other public or private agen-
15 cies, organizations, institutions, or individ-
16 uals,

17 shall apply in such State.

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

1 services under such agreement as of such date,
2 except with respect to services (if any) to be
3 provided after 3 years after the effective date
4 provided in subsection (c).

5 (e) SPECIFIC REGULATIONS REQUIRED.—

6 (1) IN GENERAL.—The Commissioner of Social
7 Security shall prescribe such regulations as are nec-
8 essary to implement the amendments made by this
9 section.

10 (2) SPECIFIC MATTERS TO BE INCLUDED IN
11 REGULATIONS.—The matters which shall be ad-
12 dressed in such regulations shall include—

13 (A) the form and manner in which tickets
14 to work and self-sufficiency may be distributed
15 to beneficiaries pursuant to section 1148(b)(1)
16 of the Social Security Act;

17 (B) the format and wording of such tick-
18 ets, which shall incorporate by reference any
19 contractual terms governing service by employ-
20 ment networks under the Program;

21 (C) the form and manner in which State
22 agencies may elect participation in the Ticket to
23 Work and Self-Sufficiency Program (and revoke
24 such an election) pursuant to section
25 1148(c)(1) of the Social Security Act and provi-

1 sion for periodic opportunities for exercising
2 such elections (and revocations);

3 (D) the status of State agencies under sec-
4 tion 1148(c)(1) at the time that State agencies
5 exercise elections (and revocations) under that
6 section;

7 (E) the terms of agreements to be entered
8 into with program managers pursuant to sec-
9 tion 1148(d) of the Social Security Act,
10 including—

11 (i) the terms by which program man-
12 agers are precluded from direct participa-
13 tion in the delivery of services pursuant to
14 section 1148(d)(3) of the Social Security
15 Act;

16 (ii) standards which must be met by
17 quality assurance measures referred to in
18 paragraph (6) of section 1148(d) and
19 methods of recruitment of employment net-
20 works utilized pursuant to paragraph (2)
21 of section 1148(e); and

22 (iii) the format under which dispute
23 resolution will operate under section
24 1148(d)(7);

1 (F) the terms of agreements to be entered
2 into with employment networks pursuant to sec-
3 tion 1148(d)(4) of the Social Security Act,
4 including—

5 (i) the manner in which service areas
6 are specified pursuant to section
7 1148(f)(2)(A) of the Social Security Act;

8 (ii) the general selection criteria and
9 the specific selection criteria which are ap-
10 plicable to employment networks under
11 section 1148(f)(1)(C) of the Social Secu-
12 rity Act in selecting service providers;

13 (iii) specific requirements relating to
14 annual financial reporting by employment
15 networks pursuant to section 1148(f)(3) of
16 the Social Security Act; and

17 (iv) the national model to which peri-
18 odic outcomes reporting by employment
19 networks must conform under section
20 1148(f)(4) of the Social Security Act;

21 (G) standards which must be met by indi-
22 vidual work plans pursuant to section 1148(g)
23 of the Social Security Act;

1 (H) standards which must be met by pay-
2 ment systems required under section 1148(h) of
3 the Social Security Act, including—

4 (i) the form and manner in which
5 elections by employment networks of pay-
6 ment systems are to be exercised pursuant
7 to section 1148(h)(1)(A);

8 (ii) the terms which must be met by
9 an outcome payment system under section
10 1148(h)(2);

11 (iii) the terms which must be met by
12 an outcome-milestone payment system
13 under section 1148(h)(3);

14 (iv) any revision of the percentage
15 specified in paragraph (2)(C) of section
16 1148(h) of the Social Security Act or the
17 period of time specified in paragraph
18 (4)(B) of such section 1148(h); and

19 (v) annual oversight procedures for
20 such systems; and

21 (I) procedures for effective oversight of the
22 Program by the Commissioner of Social Secu-
23 rity, including periodic reviews and reporting
24 requirements.

25 (f) WORK INCENTIVES ADVISORY PANEL.—

1 (1) ESTABLISHMENT.—There is established
2 within the Social Security Administration a panel to
3 be known as the “Work Incentives Advisory Panel”
4 (in this subsection referred to as the “Panel”).

5 (2) DUTIES OF PANEL.—It shall be the duty of
6 the Panel to—

7 (A) advise the Secretary of Health and
8 Human Services, the Secretary of Labor, the
9 Secretary of Education, and the Commissioner
10 of Social Security on issues related to work in-
11 centives programs, planning, and assistance for
12 individuals with disabilities, including work in-
13 centive provisions under titles II, XI, XVI,
14 XVIII, and XIX of the Social Security Act (42
15 U.S.C. 401 et seq., 1301 et seq., 1381 et seq.,
16 1395 et seq., 1396 et seq.); and

17 (B) with respect to the Ticket to Work and
18 Self-Sufficiency Program established under sec-
19 tion 1148 of the Social Security Act—

20 (i) advise the Commissioner of Social
21 Security with respect to establishing phase-
22 in sites for such Program and fully imple-
23 menting the Program thereafter, the re-
24 finement of access of disabled beneficiaries
25 to employment networks, payment systems,

1 and management information systems, and
2 advise the Commissioner whether such
3 measures are being taken to the extent
4 necessary to ensure the success of the Pro-
5 gram;

6 (ii) advise the Commissioner regard-
7 ing the most effective designs for research
8 and demonstration projects associated with
9 the Program or conducted pursuant to sec-
10 tion 302;

11 (iii) advise the Commissioner on the
12 development of performance measurements
13 relating to quality assurance under section
14 1148(d)(6) of the Social Security Act; and

15 (iv) furnish progress reports on the
16 Program to the Commissioner and each
17 House of Congress.

18 (3) MEMBERSHIP.—

19 (A) NUMBER AND APPOINTMENT.—The
20 Panel shall be composed of 12 members ap-
21 pointed by the Commissioner of Social Security
22 in consultation with the Speaker of the House
23 of Representatives, the Minority Leader of the
24 House of Representatives, the Majority Leader

1 of the Senate, and the Minority Leader of the
2 Senate.

3 (B) REPRESENTATION.—All members ap-
4 pointed to the Panel shall have experience or
5 expert knowledge in the fields of, or related to,
6 work incentive programs, employment services,
7 vocational rehabilitation services, health care
8 services, and other support services for individ-
9 uals with disabilities. At least 7 members of the
10 Panel shall be individuals with disabilities or
11 representatives of individuals with disabilities,
12 except that, of those 7 members, at least 5
13 members shall be current or former title II dis-
14 ability beneficiaries or title XVI disability bene-
15 ficiaries (as such terms are defined in section
16 1148(k) of the Social Security Act (as added by
17 subsection (a))).

18 (C) TERMS.—

19 (i) IN GENERAL.—Each member shall
20 be appointed for a term of 4 years (or, if
21 less, for the remaining life of the Panel),
22 except as provided in clauses (ii) and (iii).
23 The initial members shall be appointed not
24 later than 90 days after the date of enact-
25 ment of this Act.

1 (ii) TERMS OF INITIAL AP-
2 POINTEES.—As designated by the Commis-
3 sioner at the time of appointment, of the
4 members first appointed—

5 (I) 6 of the members appointed
6 under subparagraph (A) shall be ap-
7 pointed for a term of 2 years; and

8 (II) 6 of the members appointed
9 under subparagraph (A) shall be ap-
10 pointed for a term of 4 years.

11 (iii) VACANCIES.—Any member ap-
12 pointed to fill a vacancy occurring before
13 the expiration of the term for which the
14 member's predecessor was appointed shall
15 be appointed only for the remainder of that
16 term. A member may serve after the expi-
17 ration of that member's term until a suc-
18 cessor has taken office. A vacancy in the
19 Panel shall be filled in the manner in
20 which the original appointment was made.

21 (D) BASIC PAY.—Members shall each be
22 paid at a rate, and in a manner, that is con-
23 sistent with guidelines established under section
24 7 of the Federal Advisory Committee Act (5
25 U.S.C. App.).

1 (E) TRAVEL EXPENSES.—Each member
2 shall receive travel expenses, including per diem
3 in lieu of subsistence, in accordance with sec-
4 tions 5702 and 5703 of title 5, United States
5 Code.

6 (F) QUORUM.—Eight members of the
7 Panel shall constitute a quorum but a lesser
8 number may hold hearings.

9 (G) CHAIRPERSON.—The Chairperson of
10 the Panel shall be designated by the Commis-
11 sioner. The term of office of the Chairperson
12 shall be 4 years.

13 (H) MEETINGS.—The Panel shall meet at
14 least quarterly and at other times at the call of
15 the Chairperson or a majority of its members.

16 (4) DIRECTOR AND STAFF OF PANEL; EXPERTS
17 AND CONSULTANTS.—

18 (A) DIRECTOR.—The Panel shall have a
19 Director who shall be appointed by the Commis-
20 sioner and paid at a rate, and in a manner,
21 that is consistent with guidelines established
22 under section 7 of the Federal Advisory Com-
23 mittee Act (5 U.S.C. App.).

24 (B) STAFF.—Subject to rules prescribed
25 by the Commissioner, the Director may appoint

1 and fix the pay of additional personnel as the
2 Director considers appropriate.

3 (C) EXPERTS AND CONSULTANTS.—Sub-
4 ject to rules prescribed by the Commissioner,
5 the Director may procure temporary and inter-
6 mittent services under section 3109(b) of title
7 5, United States Code.

8 (D) STAFF OF FEDERAL AGENCIES.—
9 Upon request of the Panel, the head of any
10 Federal department or agency may detail, on a
11 reimbursable basis, any of the personnel of that
12 department or agency to the Panel to assist it
13 in carrying out its duties under this subsection.

14 (5) POWERS OF PANEL.—

15 (A) HEARINGS AND SESSIONS.—The Panel
16 may, for the purpose of carrying out its duties
17 under this subsection, hold such hearings, sit
18 and act at such times and places, and take such
19 testimony and evidence as the Panel considers
20 appropriate.

21 (B) POWERS OF MEMBERS AND AGENTS.—
22 Any member or agent of the Panel may, if au-
23 thorized by the Panel, take any action which
24 the Panel is authorized to take by this sub-
25 section.

1 (C) **MAILS.**—The Panel may use the
2 United States mails in the same manner and
3 under the same conditions as other departments
4 and agencies of the United States.

5 (6) **REPORTS.**—

6 (A) **INTERIM REPORTS.**—The Panel shall
7 submit to the President and Congress interim
8 reports at least annually.

9 (B) **FINAL REPORT.**—The Panel shall
10 transmit a final report to the President and
11 Congress not later than 8 years after the date
12 of enactment of this Act. The final report shall
13 contain a detailed statement of the findings and
14 conclusions of the Panel, together with its rec-
15 ommendations for legislation and administrative
16 actions which the Panel considers appropriate.

17 (7) **TERMINATION.**—The Panel shall terminate
18 30 days after the date of the submission of its final
19 report under paragraph (6)(B).

20 (8) **ALLOCATION OF COSTS.**—The costs of car-
21 rying out this subsection shall be paid from amounts
22 made available for the administration of title II of
23 the Social Security Act (42 U.S.C. 401 et seq.) and
24 amounts made available for the administration of
25 title XVI of that Act (42 U.S.C. 1381 et seq.), and

1 shall be allocated among those amounts as appro-
2 priate.

3 **Subtitle B—Elimination of Work**
4 **Disincentives**

5 **SEC. 211. WORK ACTIVITY STANDARD AS A BASIS FOR RE-**
6 **VIEW OF AN INDIVIDUAL'S DISABLED STATUS.**

7 Section 221 of the Social Security Act (42 U.S.C.
8 421) is amended by adding at the end the following:

9 “(m)(1) In any case where an individual entitled to
10 disability insurance benefits under section 223 or to
11 monthly insurance benefits under section 202 based on
12 such individual's disability (as defined in section 223(d))
13 has received such benefits for at least 24 months—

14 “(A) no continuing disability review conducted
15 by the Commissioner may be scheduled for the indi-
16 vidual solely as a result of the individual's work ac-
17 tivity;

18 “(B) no work activity engaged in by the indi-
19 vidual may be used as evidence that the individual
20 is no longer disabled; and

21 “(C) no cessation of work activity by the indi-
22 vidual may give rise to a presumption that the indi-
23 vidual is unable to engage in work.

24 “(2) An individual to which paragraph (1) applies
25 shall continue to be subject to—

1 “(A) continuing disability reviews on a regularly
2 scheduled basis that is not triggered by work; and

3 “(B) termination of benefits under this title in
4 the event that the individual has earnings that ex-
5 ceed the level of earnings established by the Com-
6 missioner to represent substantial gainful activity.”.

7 **SEC. 212. EXPEDITED REINSTATEMENT OF DISABILITY**
8 **BENEFITS.**

9 (a) OASDI BENEFITS.—Section 223 of the Social
10 Security Act (42 U.S.C. 423) is amended—

11 (1) by redesignating subsection (i) as subsection
12 (j); and

13 (2) by inserting after subsection (h) the fol-
14 lowing:

15 “Reinstatement of Entitlement

16 “(i)(1)(A) Entitlement to benefits described in sub-
17 paragraph (B)(i)(I) shall be reinstated in any case where
18 the Commissioner determines that an individual described
19 in subparagraph (B) has filed a request for reinstatement
20 meeting the requirements of paragraph (2)(A) during the
21 period prescribed in subparagraph (C). Reinstatement of
22 such entitlement shall be in accordance with the terms of
23 this subsection.

24 “(B) An individual is described in this subparagraph
25 if—

1 “(i) prior to the month in which the individual
2 files a request for reinstatement—

3 “(I) the individual was entitled to benefits
4 under this section or section 202 on the basis
5 of disability pursuant to an application filed
6 therefore; and

7 “(II) such entitlement terminated due to
8 the performance of substantial gainful activity;

9 “(ii) the individual is under a disability and the
10 physical or mental impairment that is the basis for
11 the finding of disability is the same as (or related
12 to) the physical or mental impairment that was the
13 basis for the finding of disability that gave rise to
14 the entitlement described in clause (i); and

15 “(iii) the individual’s disability renders the indi-
16 vidual unable to perform substantial gainful activity.

17 “(C)(i) Except as provided in clause (ii), the period
18 prescribed in this subparagraph with respect to an indi-
19 vidual is 60 consecutive months beginning with the month
20 following the most recent month for which the individual
21 was entitled to a benefit described in subparagraph
22 (B)(i)(I) prior to the entitlement termination described in
23 subparagraph (B)(i)(II).

24 “(ii) In the case of an individual who fails to file a
25 reinstatement request within the period prescribed in

1 clause (i), the Commissioner may extend the period if the
2 Commissioner determines that the individual had good
3 cause for the failure to so file.

4 “(2)(A)(i) A request for reinstatement shall be filed
5 in such form, and containing such information, as the
6 Commissioner may prescribe.

7 “(ii) A request for reinstatement shall include express
8 declarations by the individual that the individual meets the
9 requirements specified in clauses (ii) and (iii) of para-
10 graph (1)(B).

11 “(B) A request for reinstatement filed in accordance
12 with subparagraph (A) may constitute an application for
13 benefits in the case of any individual who the Commis-
14 sioner determines is not entitled to reinstated benefits
15 under this subsection.

16 “(3) In determining whether an individual meets the
17 requirements of paragraph (1)(B)(ii), the provisions of
18 subsection (f) shall apply.

19 “(4)(A)(i) Subject to clause (ii), entitlement to bene-
20 fits reinstated under this subsection shall commence with
21 the benefit payable for the month in which a request for
22 reinstatement is filed.

23 “(ii) An individual whose entitlement to a benefit for
24 any month would have been reinstated under this sub-
25 section had the individual filed a request for reinstatement

1 before the end of such month shall be entitled to such ben-
2 efit for such month if such request for reinstatement is
3 filed before the end of the twelfth month immediately suc-
4 ceeding such month.

5 “(B)(i) Subject to clauses (ii) and (iii), the amount
6 of the benefit payable for any month pursuant to the rein-
7 statement of entitlement under this subsection shall be de-
8 termined in accordance with the provisions of this title.

9 “(ii) For purposes of computing the primary insur-
10 ance amount of an individual whose entitlement to benefits
11 under this section is reinstated under this subsection, the
12 date of onset of the individual’s disability shall be the date
13 of onset used in determining the individual’s most recent
14 period of disability arising in connection with such benefits
15 payable on the basis of an application.

16 “(iii) Benefits under this section or section 202 pay-
17 able for any month pursuant to a request for reinstatement
18 filed in accordance with paragraph (2) shall be re-
19 duced by the amount of any provisional benefit paid to
20 such individual for such month under paragraph (7).

21 “(C) No benefit shall be payable pursuant to an enti-
22 tlement reinstated under this subsection to an individual
23 for any month in which the individual engages in substan-
24 tial gainful activity.

1 “(D) The entitlement of any individual that is rein-
2 stated under this subsection shall end with the benefits
3 payable for the month preceding whichever of the following
4 months is the earliest:

5 “(i) The month in which the individual dies.

6 “(ii) The month in which the individual attains
7 retirement age.

8 “(iii) The third month following the month in
9 which the individual’s disability ceases.

10 “(5) Whenever an individual’s entitlement to benefits
11 under this section is reinstated under this subsection, enti-
12 tlement to benefits payable on the basis of such individ-
13 ual’s wages and self-employment income may be reinstated
14 with respect to any person previously entitled to such ben-
15 efits on the basis of an application if the Commissioner
16 determines that such person satisfies all the requirements
17 for entitlement to such benefits except requirements re-
18 lated to the filing of an application. The provisions of
19 paragraph (4) shall apply to the reinstated entitlement of
20 any such person to the same extent that they apply to
21 the reinstated entitlement of such individual.

22 “(6) An individual to whom benefits are payable
23 under this section or section 202 pursuant to a reinstate-
24 ment of entitlement under this subsection for 24 months
25 (whether or not consecutive) shall, with respect to benefits

1 so payable after such twenty-fourth month, be deemed for
2 purposes of paragraph (1)(B)(i)(I) and the determination,
3 if appropriate, of the termination month in accordance
4 with subsection (a)(1) of this section, or subsection (d)(1),
5 (e)(1), or (f)(1) of section 202, to be entitled to such bene-
6 fits on the basis of an application filed therefore.

7 “(7)(A) An individual described in paragraph (1)(B)
8 who files a request for reinstatement in accordance with
9 the provisions of paragraph (2)(A) shall be entitled to pro-
10 visional benefits payable in accordance with this para-
11 graph, unless the Commissioner determines that the indi-
12 vidual does not meet the requirements of paragraph
13 (1)(B)(i) or that the individual’s declaration under para-
14 graph (2)(A)(ii) is false. Any such determination by the
15 Commissioner shall be final and not subject to review
16 under subsection (b) or (g) of section 205.

17 “(B) The amount of a provisional benefit for a month
18 shall equal the amount of the last monthly benefit payable
19 to the individual under this title on the basis of an applica-
20 tion increased by an amount equal to the amount, if any,
21 by which such last monthly benefit would have been in-
22 creased as a result of the operation of section 215(i).

23 “(C)(i) Provisional benefits shall begin with the
24 month in which a request for reinstatement is filed in ac-
25 cordance with paragraph (2)(A).

1 “(ii) Provisional benefits shall end with the earliest
2 of—

3 “(I) the month in which the Commissioner
4 makes a determination regarding the individual’s en-
5 titlement to reinstated benefits;

6 “(II) the fifth month following the month de-
7 scribed in clause (i);

8 “(III) the month in which the individual per-
9 forms substantial gainful activity; or

10 “(IV) the month in which the Commissioner de-
11 termines that the individual does not meet the re-
12 quirements of paragraph (1)(B)(i) or that the indi-
13 vidual’s declaration made in accordance with para-
14 graph (2)(A)(ii) is false.

15 “(D) In any case in which the Commissioner deter-
16 mines that an individual is not entitled to reinstated bene-
17 fits, any provisional benefits paid to the individual under
18 this paragraph shall not be subject to recovery as an over-
19 payment unless the Commissioner determines that the in-
20 dividual knew or should have known that the individual
21 did not meet the requirements of paragraph (1)(B).”.

22 (b) SSI BENEFITS.—

23 (1) IN GENERAL.—Section 1631 of the Social
24 Security Act (42 U.S.C. 1383) is amended by add-
25 ing at the end the following:

1 “Reinstatement of Eligibility on the Basis of Blindness
2 or Disability

3 “(p)(1)(A) Eligibility for benefits under this title
4 shall be reinstated in any case where the Commissioner
5 determines that an individual described in subparagraph
6 (B) has filed a request for reinstatement meeting the re-
7 quirements of paragraph (2)(A) during the period pre-
8 scribed in subparagraph (C). Reinstatement of eligibility
9 shall be in accordance with the terms of this subsection.

10 “(B) An individual is described in this subparagraph
11 if—

12 “(i) prior to the month in which the individual
13 files a request for reinstatement—

14 “(I) the individual was eligible for benefits
15 under this title on the basis of blindness or dis-
16 ability pursuant to an application filed there-
17 fore; and

18 “(II) the individual thereafter was ineli-
19 gible for such benefits due to earned income (or
20 earned and unearned income) for a period of 12
21 or more consecutive months;

22 “(ii) the individual is blind or disabled and the
23 physical or mental impairment that is the basis for
24 the finding of blindness or disability is the same as
25 (or related to) the physical or mental impairment

1 that was the basis for the finding of blindness or
2 disability that gave rise to the eligibility described in
3 clause (i);

4 “(iii) the individual’s blindness or disability ren-
5 ders the individual unable to perform substantial
6 gainful activity; and

7 “(iv) the individual satisfies the nonmedical re-
8 quirements for eligibility for benefits under this title.

9 “(C)(i) Except as provided in clause (ii), the period
10 prescribed in this subparagraph with respect to an indi-
11 vidual is 60 consecutive months beginning with the month
12 following the most recent month for which the individual
13 was eligible for a benefit under this title (including section
14 1619) prior to the period of ineligibility described in sub-
15 paragraph (B)(i)(II).

16 “(ii) In the case of an individual who fails to file a
17 reinstatement request within the period prescribed in
18 clause (i), the Commissioner may extend the period if the
19 Commissioner determines that the individual had good
20 cause for the failure to so file.

21 “(2)(A)(i) A request for reinstatement shall be filed
22 in such form, and containing such information, as the
23 Commissioner may prescribe.

24 “(ii) A request for reinstatement shall include express
25 declarations by the individual that the individual meets the

1 requirements specified in clauses (ii) through (iv) of para-
2 graph (1)(B).

3 “(B) A request for reinstatement filed in accordance
4 with subparagraph (A) may constitute an application for
5 benefits in the case of any individual who the Commis-
6 sioner determines is not eligible for reinstated benefits
7 under this subsection.

8 “(3) In determining whether an individual meets the
9 requirements of paragraph (1)(B)(ii), the provisions of
10 section 1614(a)(4) shall apply.

11 “(4)(A) Eligibility for benefits reinstated under this
12 subsection shall commence with the benefit payable for the
13 month following the month in which a request for rein-
14 statement is filed.

15 “(B)(i) Subject to clause (ii), the amount of the ben-
16 efit payable for any month pursuant to the reinstatement
17 of eligibility under this subsection shall be determined in
18 accordance with the provisions of this title.

19 “(ii) The benefit under this title payable for any
20 month pursuant to a request for reinstatement filed in ac-
21 cordance with paragraph (2) shall be reduced by the
22 amount of any provisional benefit paid to such individual
23 for such month under paragraph (7).

24 “(C) Except as otherwise provided in this subsection,
25 eligibility for benefits under this title reinstated pursuant

1 to a request filed under paragraph (2) shall be subject
2 to the same terms and conditions as eligibility established
3 pursuant to an application filed therefore.

4 “(5) Whenever an individual’s eligibility for benefits
5 under this title is reinstated under this subsection, eligi-
6 bility for such benefits shall be reinstated with respect to
7 the individual’s spouse if such spouse was previously an
8 eligible spouse of the individual under this title and the
9 Commissioner determines that such spouse satisfies all the
10 requirements for eligibility for such benefits except re-
11 quirements related to the filing of an application. The pro-
12 visions of paragraph (4) shall apply to the reinstated eligi-
13 bility of the spouse to the same extent that they apply
14 to the reinstated eligibility of such individual.

15 “(6) An individual to whom benefits are payable
16 under this title pursuant to a reinstatement of eligibility
17 under this subsection for twenty-four months (whether or
18 not consecutive) shall, with respect to benefits so payable
19 after such twenty-fourth month, be deemed for purposes
20 of paragraph (1)(B)(i)(I) to be eligible for such benefits
21 on the basis of an application filed therefore.

22 “(7)(A) An individual described in paragraph (1)(B)
23 who files a request for reinstatement in accordance with
24 the provisions of paragraph (2)(A) shall be eligible for pro-
25 visional benefits payable in accordance with this para-

1 graph, unless the Commissioner determines that the indi-
2 vidual does not meet the requirements of paragraph
3 (1)(B)(i) or that the individual's declaration under para-
4 graph (2)(A)(ii) is false. Any such determination by the
5 Commissioner shall be final and not subject to review
6 under paragraph (1) or (3) of subsection (c).

7 “(B)(i) Except as otherwise provided in clause (ii),
8 the amount of a provisional benefit for a month shall equal
9 the amount of the monthly benefit that would be payable
10 to an eligible individual under this title with the same kind
11 and amount of income.

12 “(ii) If the individual has a spouse who was pre-
13 viously an eligible spouse of the individual under this title
14 and the Commissioner determines that such spouse satis-
15 fies all the requirements of section 1614(b) except require-
16 ments related to the filing of an application, the amount
17 of a provisional benefit for a month shall equal the amount
18 of the month benefit that would be payable to an eligible
19 individual and eligible spouse under this title with the
20 same kind and amount of income.

21 “(C)(i) Provisional benefits shall begin with the
22 month following the month in which a request for rein-
23 statement is filed in accordance with paragraph (2)(A).

24 “(ii) Provisional benefits shall end with the earliest
25 of—

1 “(I) the month in which the Commissioner
2 makes a determination regarding the individual’s eli-
3 gibility for reinstated benefits;

4 “(II) the fifth month following the month for
5 which provisional benefits are first payable under
6 clause (i); or

7 “(III) the month in which the Commissioner de-
8 termines that the individual does not meet the re-
9 quirements of paragraph (1)(B)(i) or that the indi-
10 vidual’s declaration made in accordance with para-
11 graph (2)(A)(ii) is false.

12 “(D) In any case in which the Commissioner deter-
13 mines that an individual is not eligible for reinstated bene-
14 fits, any provisional benefits paid to the individual under
15 this paragraph shall not be subject to recovery as an over-
16 payment unless the Commissioner determines that the in-
17 dividual knew or should have known that the individual
18 did not meet the requirements of paragraph (1)(B).

19 “(8) For purposes of this subsection other than para-
20 graph (7), the term ‘benefits under this title’ includes
21 State supplementary payments made pursuant to an
22 agreement under section 1616(a) or section 212(b) of
23 Public Law 93–66.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) Section 1631(j)(1) of such Act (42
2 U.S.C. 1383(j)(1)) is amended by striking the
3 period and inserting “, or has filed a request
4 for reinstatement of eligibility under subsection
5 (p)(2) and been determined to be eligible for re-
6 instatement.”.

7 (B) Section 1631(j)(2)(A)(i)(I) of such Act
8 (42 U.S.C. 1383(j)(2)(A)(i)(I)) is amended by
9 inserting “(other than pursuant to a request for
10 reinstatement under subsection (p))” after “eli-
11 gible”.

12 (c) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall take effect on the first day of the
15 thirteenth month beginning after the date of enact-
16 ment of this Act.

17 (2) LIMITATION.—No benefit shall be payable
18 under title II or XVI of the Social Security Act on
19 the basis of a request for reinstatement filed under
20 section 223(i) or 1631(p) of such Act before the ef-
21 fective date described in paragraph (1).

1 **Subtitle C—Work Incentives**
2 **Planning, Assistance, and Outreach**

3 **SEC. 221. WORK INCENTIVES OUTREACH PROGRAM.**

4 Part A of title XI of the Social Security Act (42
5 U.S.C. 1301 et seq.), as amended by section 201, is
6 amended by adding after section 1148 the following:

7 “WORK INCENTIVES OUTREACH PROGRAM

8 “SEC. 1149. (a) ESTABLISHMENT.—

9 “(1) IN GENERAL.—The Commissioner, in con-
10 sultation with the Work Incentives Advisory Panel
11 established under section 201(f) of the Work Incen-
12 tives Improvement Act of 1999, shall establish a
13 community-based work incentives planning and as-
14 sistance program for the purpose of disseminating
15 accurate information to disabled beneficiaries on
16 work incentives programs and issues related to such
17 programs.

18 “(2) GRANTS, COOPERATIVE AGREEMENTS,
19 CONTRACTS, AND OUTREACH.—Under the program
20 established under this section, the Commissioner
21 shall—

22 “(A) establish a competitive program of
23 grants, cooperative agreements, or contracts to
24 provide benefits planning and assistance, in-
25 cluding information on the availability of pro-

1 tection and advocacy services, to disabled bene-
2 ficiaries, including individuals participating in
3 the Ticket to Work and Self-Sufficiency Pro-
4 gram established under section 1148, the pro-
5 gram established under section 1619, and other
6 programs that are designed to encourage dis-
7 abled beneficiaries to work;

8 “(B) conduct directly, or through grants,
9 cooperative agreements, or contracts, ongoing
10 outreach efforts to disabled beneficiaries (and
11 to the families of such beneficiaries) who are
12 potentially eligible to participate in Federal or
13 State work incentive programs that are de-
14 signed to assist disabled beneficiaries to work,
15 including—

16 “(i) preparing and disseminating in-
17 formation explaining such programs; and

18 “(ii) working in cooperation with
19 other Federal, State, and private agencies
20 and nonprofit organizations that serve dis-
21 abled beneficiaries, and with agencies and
22 organizations that focus on vocational re-
23 habilitation and work-related training and
24 counseling;

1 “(C) establish a corps of trained, acces-
2 sible, and responsive work incentives specialists
3 within the Social Security Administration who
4 will specialize in disability work incentives
5 under titles II and XVI for the purpose of dis-
6 seminating accurate information with respect to
7 inquiries and issues relating to work incentives
8 to—

9 “(i) disabled beneficiaries;

10 “(ii) benefit applicants under titles II
11 and XVI; and

12 “(iii) individuals or entities awarded
13 grants under subparagraphs (A) or (B);
14 and

15 “(D) provide—

16 “(i) training for work incentives spe-
17 cialists and individuals providing planning
18 assistance described in subparagraph (C);
19 and

20 “(ii) technical assistance to organiza-
21 tions and entities that are designed to en-
22 courage disabled beneficiaries to return to
23 work.

24 “(3) COORDINATION WITH OTHER PRO-
25 GRAMS.—The responsibilities of the Commissioner

1 established under this section shall be coordinated
2 with other public and private programs that provide
3 information and assistance regarding rehabilitation
4 services and independent living supports and bene-
5 fits planning for disabled beneficiaries including the
6 program under section 1619, the plans for achieving
7 self-support program (PASS), and any other Federal
8 or State work incentives programs that are designed
9 to assist disabled beneficiaries, including educational
10 agencies that provide information and assistance re-
11 garding rehabilitation, school-to-work programs,
12 transition services (as defined in, and provided in ac-
13 cordance with, the Individuals with Disabilities Edu-
14 cation Act (20 U.S.C. 1400 et seq.)), a one-stop de-
15 livery system established under subtitle B of title I
16 of the Workforce Investment Act of 1998, and other
17 services.

18 “(b) CONDITIONS.—

19 “(1) SELECTION OF ENTITIES.—

20 “(A) APPLICATION.—An entity shall sub-
21 mit an application for a grant, cooperative
22 agreement, or contract to provide benefits plan-
23 ning and assistance to the Commissioner at
24 such time, in such manner, and containing such
25 information as the Commissioner may deter-

1 mine is necessary to meet the requirements of
2 this section.

3 “(B) STATEWIDENESS.—The Commis-
4 sioner shall ensure that the planning, assist-
5 ance, and information described in paragraph
6 (2) shall be available on a statewide basis.

7 “(C) ELIGIBILITY OF STATES AND PRI-
8 VATE ORGANIZATIONS.—

9 “(i) IN GENERAL.—The Commissioner
10 may award a grant, cooperative agreement,
11 or contract under this section to a State or
12 a private agency or organization (other
13 than Social Security Administration Field
14 Offices and the State agency administering
15 the State medicaid program under title
16 XIX, including any agency or entity de-
17 scribed in clause (ii), that the Commis-
18 sioner determines is qualified to provide
19 the planning, assistance, and information
20 described in paragraph (2)).

21 “(ii) AGENCIES AND ENTITIES DE-
22 SCRIBED.—The agencies and entities de-
23 scribed in this clause are the following:

24 “(I) Any public or private agency
25 or organization (including Centers for

1 Independent Living established under
2 title VII of the Rehabilitation Act of
3 1973, protection and advocacy organi-
4 zations, client assistance programs es-
5 tablished in accordance with section
6 112 of the Rehabilitation Act of 1973,
7 and State Developmental Disabilities
8 Councils established in accordance
9 with section 124 of the Developmental
10 Disabilities Assistance and Bill of
11 Rights Act (42 U.S.C. 6024)) that the
12 Commissioner determines satisfies the
13 requirements of this section.

14 “(II) The State agency admin-
15 istering the State program funded
16 under part A of title IV.

17 “(D) EXCLUSION FOR CONFLICT OF IN-
18 TEREST.—The Commissioner may not award a
19 grant, cooperative agreement, or contract under
20 this section to any entity that the Commissioner
21 determines would have a conflict of interest if
22 the entity were to receive a grant, cooperative
23 agreement, or contract under this section.

24 “(2) SERVICES PROVIDED.—A recipient of a
25 grant, cooperative agreement, or contract to provide

1 benefits planning and assistance shall select individ-
2 uals who will act as planners and provide informa-
3 tion, guidance, and planning to disabled beneficiaries
4 on the—

5 “(A) availability and interrelation of any
6 Federal or State work incentives programs de-
7 signed to assist disabled beneficiaries that the
8 individual may be eligible to participate in;

9 “(B) adequacy of any health benefits cov-
10 erage that may be offered by an employer of
11 the individual and the extent to which other
12 health benefits coverage may be available to the
13 individual; and

14 “(C) availability of protection and advo-
15 cacy services for disabled beneficiaries and how
16 to access such services.

17 “(3) AMOUNT OF GRANTS, COOPERATIVE
18 AGREEMENTS, OR CONTRACTS.—

19 “(A) BASED ON POPULATION OF DIS-
20 ABLED BENEFICIARIES.—Subject to subpara-
21 graph (B), the Commissioner shall award a
22 grant, cooperative agreement, or contract under
23 this section to an entity based on the percent-
24 age of the population of the State where the en-
25 tity is located who are disabled beneficiaries.

1 “(B) LIMITATIONS.—

2 “(i) PER GRANT.—No entity shall re-
3 ceive a grant, cooperative agreement, or
4 contract under this section for a fiscal year
5 that is less than \$50,000 or more than
6 \$300,000.

7 “(ii) TOTAL AMOUNT FOR ALL
8 GRANTS, COOPERATIVE AGREEMENTS, AND
9 CONTRACTS.—The total amount of all
10 grants, cooperative agreements, and con-
11 tracts awarded under this section for a fis-
12 cal year may not exceed \$23,000,000.

13 “(4) ALLOCATION OF COSTS.—The costs of car-
14 rying out this section shall be paid from amounts
15 made available for the administration of title II and
16 amounts made available for the administration of
17 title XVI, and shall be allocated among those
18 amounts as appropriate.

19 “(c) DEFINITIONS.—In this section:

20 “(1) COMMISSIONER.—The term ‘Commis-
21 sioner’ means the Commissioner of Social Security.

22 “(2) DISABLED BENEFICIARY.—The term ‘dis-
23 abled beneficiary’ has the meaning given that term
24 in section 1148(k)(2).”.

1 **SEC. 222. STATE GRANTS FOR WORK INCENTIVES ASSIST-**
2 **ANCE TO DISABLED BENEFICIARIES.**

3 Part A of title XI of the Social Security Act (42
4 U.S.C. 1301 et seq.), as amended by section 221, is
5 amended by adding after section 1149 the following:

6 “STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO
7 DISABLED BENEFICIARIES

8 “SEC. 1150. (a) IN GENERAL.—Subject to subsection
9 (c), the Commissioner may make payments in each State
10 to the protection and advocacy system established pursu-
11 ant to part C of title I of the Developmental Disabilities
12 Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.)
13 for the purpose of providing services to disabled bene-
14 ficiaries.

15 “(b) SERVICES PROVIDED.—Services provided to dis-
16 abled beneficiaries pursuant to a payment made under this
17 section may include—

18 “(1) information and advice about obtaining vo-
19 cational rehabilitation and employment services; and

20 “(2) advocacy or other services that a disabled
21 beneficiary may need to secure or regain gainful em-
22 ployment.

23 “(c) APPLICATION.—In order to receive payments
24 under this section, a protection and advocacy system shall
25 submit an application to the Commissioner, at such time,

1 in such form and manner, and accompanied by such infor-
2 mation and assurances as the Commissioner may require.

3 “(d) AMOUNT OF PAYMENTS.—

4 “(1) IN GENERAL.—Subject to the amount ap-
5 propriated for a fiscal year for making payments
6 under this section, a protection and advocacy system
7 shall not be paid an amount that is less than—

8 “(A) in the case of a protection and advo-
9 cacy system located in a State (including the
10 District of Columbia and Puerto Rico) other
11 than Guam, American Samoa, the United
12 States Virgin Islands, and the Commonwealth
13 of the Northern Mariana Islands, the greater
14 of—

15 “(i) \$100,000; or

16 “(ii) $\frac{1}{3}$ of 1 percent of the amount
17 available for payments under this section;
18 and

19 “(B) in the case of a protection and advo-
20 cacy system located in Guam, American Samoa,
21 the United States Virgin Islands, and the Com-
22 monwealth of the Northern Mariana Islands,
23 \$50,000.

24 “(2) INFLATION ADJUSTMENT.—For each fiscal
25 year in which the total amount appropriated to carry

1 out this section exceeds the total amount appro-
2 priated to carry out this section in the preceding fis-
3 cal year, the Commissioner shall increase each min-
4 imum payment under subparagraphs (A) and (B) of
5 paragraph (1) by a percentage equal to the percent-
6 age increase in the total amount appropriated to
7 carry out this section between the preceding fiscal
8 year and the fiscal year involved.

9 “(e) ANNUAL REPORT.—Each protection and advo-
10 cacy system that receives a payment under this section
11 shall submit an annual report to the Commissioner and
12 the Work Incentives Advisory Panel established under sec-
13 tion 201(f) of the Work Incentives Improvement Act of
14 1999 on the services provided to individuals by the system.

15 “(f) FUNDING.—

16 “(1) ALLOCATION OF PAYMENTS.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graph (B), payments under this section shall be
19 made from amounts made available for the ad-
20 ministration of title II and amounts made avail-
21 able for the administration of title XVI, and
22 shall be allocated among those amounts as ap-
23 propriate.

24 “(B) LIMITATION.—Payments under this
25 section shall not exceed \$7,000,000 for fiscal

1 year 2000, and such sums as may be necessary
2 for any fiscal year thereafter.

3 “(2) CARRYOVER.—Any amounts allotted for
4 payment to a protection and advocacy system under
5 this section for a fiscal year shall remain available
6 for payment to or on behalf of the protection and
7 advocacy system until the end of the succeeding fis-
8 cal year.

9 “(g) DEFINITIONS.—In this section:

10 “(1) COMMISSIONER.—The term ‘Commis-
11 sioner’ means the Commissioner of Social Security.

12 “(2) DISABLED BENEFICIARY.—The term ‘dis-
13 abled beneficiary’ has the meaning given that term
14 in section 1148(k)(2).

15 “(3) PROTECTION AND ADVOCACY SYSTEM.—
16 The term ‘protection and advocacy system’ means a
17 protection and advocacy system established pursuant
18 to part C of title I of the Developmental Disabilities
19 Assistance and Bill of Rights Act (42 U.S.C. 6041
20 et seq.).”.

1 **TITLE III—DEMONSTRATION**
2 **PROJECTS AND STUDIES**

3 **SEC. 301. PERMANENT EXTENSION OF DISABILITY INSUR-**
4 **ANCE PROGRAM DEMONSTRATION PROJECT**
5 **AUTHORITY.**

6 (a) PERMANENT EXTENSION OF AUTHORITY.—Title
7 II of the Social Security Act (42 U.S.C. 401 et seq.) is
8 amended by adding at the end the following:

9 “DEMONSTRATION PROJECT AUTHORITY

10 “SEC. 234. (a) AUTHORITY.—

11 “(1) IN GENERAL.—The Commissioner of So-
12 cial Security (in this section referred to as the ‘Com-
13 missioner’) shall develop and carry out experiments
14 and demonstration projects designed to determine
15 the relative advantages and disadvantages of—

16 “(A) various alternative methods of treat-
17 ing the work activity of individuals entitled to
18 disability insurance benefits under section 223
19 or to monthly insurance benefits under section
20 202 based on such individual’s disability (as de-
21 fined in section 223(d)), including such meth-
22 ods as a reduction in benefits based on earn-
23 ings, designed to encourage the return to work
24 of such individuals;

1 “(B) altering other limitations and condi-
2 tions applicable to such individuals (including
3 lengthening the trial work period (as defined in
4 section 222(c)), altering the 24-month waiting
5 period for hospital insurance benefits under sec-
6 tion 226, altering the manner in which the pro-
7 gram under this title is administered, earlier re-
8 ferral of such individuals for rehabilitation, and
9 greater use of employers and others to develop,
10 perform, and otherwise stimulate new forms of
11 rehabilitation); and

12 “(C) implementing sliding scale benefit off-
13 sets using variations in—

14 “(i) the amount of the offset as a pro-
15 portion of earned income;

16 “(ii) the duration of the offset period;
17 and

18 “(iii) the method of determining the
19 amount of income earned by such individ-
20 uals,

21 to the end that savings will accrue to the Trust
22 Funds, or to otherwise promote the objectives or fa-
23 cilitate the administration of this title.

24 “(2) AUTHORITY FOR EXPANSION OF SCOPE.—

25 The Commissioner may expand the scope of any

1 such experiment or demonstration project to include
2 any group of applicants for benefits under the pro-
3 gram established under this title with impairments
4 that reasonably may be presumed to be disabling for
5 purposes of such demonstration project, and may
6 limit any such demonstration project to any such
7 group of applicants, subject to the terms of such
8 demonstration project which shall define the extent
9 of any such presumption.

10 “(b) REQUIREMENTS.—The experiments and dem-
11 onstration projects developed under subsection (a) shall be
12 of sufficient scope and shall be carried out on a wide
13 enough scale to permit a thorough evaluation of the alter-
14 native methods under consideration while giving assurance
15 that the results derived from the experiments and projects
16 will obtain generally in the operation of the disability in-
17 surance program under this title without committing such
18 program to the adoption of any particular system either
19 locally or nationally.

20 “(c) AUTHORITY TO WAIVE COMPLIANCE WITH
21 BENEFITS REQUIREMENTS.—In the case of any experi-
22 ment or demonstration project conducted under subsection
23 (a), the Commissioner may waive compliance with the ben-
24 efit requirements of this title, and the Secretary may
25 (upon the request of the Commissioner) waive compliance

1 with the benefits requirements of title XVIII, insofar as
2 is necessary for a thorough evaluation of the alternative
3 methods under consideration. No such experiment or
4 project shall be actually placed in operation unless at least
5 90 days prior thereto a written report, prepared for pur-
6 poses of notification and information only and containing
7 a full and complete description thereof, has been trans-
8 mitted by the Commissioner to the Committee on Ways
9 and Means of the House of Representatives and to the
10 Committee on Finance of the Senate. Periodic reports on
11 the progress of such experiments and demonstration
12 projects shall be submitted by the Commissioner to such
13 committees. When appropriate, such reports shall include
14 detailed recommendations for changes in administration
15 or law, or both, to carry out the objectives stated in sub-
16 section (a).

17 “(d) REPORTS.—

18 “(1) INTERIM REPORTS.—On or before June 9
19 of each year, the Commissioner shall submit to the
20 Committee on Ways and Means of the House of
21 Representatives and to the Committee on Finance of
22 the Senate an interim report on the progress of the
23 experiments and demonstration projects carried out
24 under this subsection together with any related data

1 and materials that the Commissioner may consider
2 appropriate.

3 “(2) FINAL REPORTS.—Not later than 90 days
4 after the termination of any experiment or dem-
5 onstration project carried out under this section, the
6 Commissioner shall submit to the Committee on
7 Ways and Means of the House of Representatives
8 and to the Committee on Finance of the Senate a
9 final report with respect to that experiment and
10 demonstration project.”.

11 (b) CONFORMING AMENDMENTS; TRANSFER OF
12 PRIOR AUTHORITY.—

13 (1) CONFORMING AMENDMENTS.—

14 (A) REPEAL OF PRIOR AUTHORITY.—Para-
15 graphs (1) through (4) of subsection (a) and
16 subsection (c) of section 505 of the Social Secu-
17 rity Disability Amendments of 1980 (42 U.S.C.
18 1310 note) are repealed.

19 (B) CONFORMING AMENDMENT REGARD-
20 ING FUNDING.—Section 201(k) of the Social
21 Security Act (42 U.S.C. 401(k)) is amended by
22 striking “section 505(a) of the Social Security
23 Disability Amendments of 1980” and inserting
24 “section 234”.

1 (2) TRANSFER OF PRIOR AUTHORITY.—With
2 respect to any experiment or demonstration project
3 being conducted under section 505(a) of the Social
4 Security Disability Amendments of 1980 (42 U.S.C.
5 1310 note) as of the date of enactment of this Act,
6 the authority to conduct such experiment or dem-
7 onstration project (including the terms and condi-
8 tions applicable to the experiment or demonstration
9 project) shall be treated as if that authority (and
10 such terms and conditions) had been established
11 under section 234 of the Social Security Act, as
12 added by subsection (a).

13 **SEC. 302. DEMONSTRATION PROJECTS PROVIDING FOR RE-**
14 **DUCTIONS IN DISABILITY INSURANCE BENE-**
15 **FITS BASED ON EARNINGS.**

16 (a) AUTHORITY.—The Commissioner of Social Secu-
17 rity shall conduct demonstration projects for the purpose
18 of evaluating, through the collection of data, a program
19 for title II disability beneficiaries (as defined in section
20 1148(k)(3) of the Social Security Act) under which each
21 \$1 of benefits payable under section 223, or under section
22 202 based on the beneficiary's disability, is reduced for
23 each \$2 of such beneficiary's earnings that is above a level
24 to be determined by the Commissioner. Such projects shall
25 be conducted at a number of localities which the Commis-

1 sioner shall determine is sufficient to adequately evaluate
2 the appropriateness of national implementation of such a
3 program. Such projects shall identify reductions in Fed-
4 eral expenditures that may result from the permanent im-
5 plementation of such a program.

6 (b) SCOPE AND SCALE AND MATTERS TO BE DETER-
7 MINED.—

8 (1) IN GENERAL.—The demonstration projects
9 developed under subsection (a) shall be of sufficient
10 duration, shall be of sufficient scope, and shall be
11 carried out on a wide enough scale to permit a thor-
12 ough evaluation of the project to determine—

13 (A) the effects, if any, of induced entry
14 into the project and reduced exit from the
15 project;

16 (B) the extent, if any, to which the project
17 being tested is affected by whether it is in oper-
18 ation in a locality within an area under the ad-
19 ministration of the Ticket to Work and Self-
20 Sufficiency Program established under section
21 1148 of the Social Security Act; and

22 (C) the savings that accrue to the Federal
23 Old-Age and Survivors Insurance Trust Fund,
24 the Federal Disability Insurance Trust Fund,

1 and other Federal programs under the project
2 being tested.

3 The Commissioner shall take into account advice
4 provided by the Work Incentives Advisory Panel pur-
5 suant to section 201(f)(2)(B)(ii).

6 (2) ADDITIONAL MATTERS.—The Commissioner
7 shall also determine with respect to each project—

8 (A) the annual cost (including net cost) of
9 the project and the annual cost (including net
10 cost) that would have been incurred in the ab-
11 sence of the project;

12 (B) the determinants of return to work, in-
13 cluding the characteristics of the beneficiaries
14 who participate in the project; and

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

19 The Commissioner may include within the matters
20 evaluated under the project the merits of trial work
21 periods and periods of extended eligibility.

22 (c) WAIVERS.—The Commissioner may waive compli-
23 ance with the benefit provisions of title II of the Social
24 Security Act, and the Secretary of Health and Human
25 Services may waive compliance with the benefit require-

1 ments of title XVIII of that Act, insofar as is necessary
2 for a thorough evaluation of the alternative methods under
3 consideration. No such project shall be actually placed in
4 operation unless at least 90 days prior thereto a written
5 report, prepared for purposes of notification and informa-
6 tion only and containing a full and complete description
7 thereof, has been transmitted by the Commissioner to the
8 Committee on Ways and Means of the House of Rep-
9 resentatives and to the Committee on Finance of the Sen-
10 ate. Periodic reports on the progress of such projects shall
11 be submitted by the Commissioner to such committees.
12 When appropriate, such reports shall include detailed rec-
13 ommendations for changes in administration or law, or
14 both, to carry out the objectives stated in subsection (a).

15 (d) INTERIM REPORTS.—Not later than 2 years after
16 the date of enactment of this Act, and annually thereafter,
17 the Commissioner of Social Security shall submit to Con-
18 gress an interim report on the progress of the demonstra-
19 tion projects carried out under this subsection together
20 with any related data and materials that the Commis-
21 sioner of Social Security may consider appropriate.

22 (e) FINAL REPORT.—The Commissioner of Social Se-
23 curity shall submit to Congress a final report with respect
24 to all demonstration projects carried out under this section
25 not later than 1 year after their completion.

1 (f) EXPENDITURES.—Expenditures made for dem-
2 onstration projects under this section shall be made from
3 the Federal Disability Insurance Trust Fund and the Fed-
4 eral Old-Age and Survivors Insurance Trust Fund, as de-
5 termined appropriate by the Commissioner of Social Secu-
6 rity, and from the Federal Hospital Insurance Trust Fund
7 and the Federal Supplementary Medical Insurance Trust
8 Fund, as determined appropriate by the Secretary of
9 Health and Human Services, to the extent provided in ad-
10 vance in appropriation Acts.

11 **SEC. 303. STUDIES AND REPORTS.**

12 (a) STUDY BY GENERAL ACCOUNTING OFFICE OF
13 EXISTING DISABILITY-RELATED EMPLOYMENT INCEN-
14 TIVES.—

15 (1) STUDY.—As soon as practicable after the
16 date of enactment of this Act, the Comptroller Gen-
17 eral of the United States shall undertake a study to
18 assess existing tax credits and other disability-re-
19 lated employment incentives under the Americans
20 with Disabilities Act of 1990 and other Federal
21 laws. In such study, the Comptroller General shall
22 specifically address the extent to which such credits
23 and other incentives would encourage employers to
24 hire and retain individuals with disabilities.

1 (2) REPORT.—Not later than 3 years after the
2 date of enactment of this Act, the Comptroller Gen-
3 eral shall transmit to the Committee on Ways and
4 Means of the House of Representatives and the
5 Committee on Finance of the Senate a written re-
6 port presenting the results of the Comptroller Gen-
7 eral’s study conducted pursuant to this subsection,
8 together with such recommendations for legislative
9 or administrative changes as the Comptroller Gen-
10 eral determines are appropriate.

11 (b) STUDY BY GENERAL ACCOUNTING OFFICE OF
12 EXISTING COORDINATION OF THE DI AND SSI PROGRAMS
13 AS THEY RELATE TO INDIVIDUALS ENTERING OR LEAV-
14 ING CONCURRENT ENTITLEMENT.—

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

1 such programs with respect to such individuals and
2 the effectiveness of coverage of such individuals
3 under titles XVIII and XIX of the Social Security
4 Act.

5 (2) REPORT.—Not later than 3 years after the
6 date of enactment of this Act, the Comptroller Gen-
7 eral shall transmit to the Committee on Ways and
8 Means of the House of Representatives and the
9 Committee on Finance of the Senate a written re-
10 port presenting the results of the Comptroller Gen-
11 eral’s study conducted pursuant to this subsection,
12 together with such recommendations for legislative
13 or administrative changes as the Comptroller Gen-
14 eral determines are appropriate.

15 (c) STUDY BY GENERAL ACCOUNTING OFFICE OF
16 THE IMPACT OF THE SUBSTANTIAL GAINFUL ACTIVITY
17 LIMIT ON RETURN TO WORK.—

18 (1) STUDY.—As soon as practicable after the
19 date of enactment of this Act, the Comptroller Gen-
20 eral of the United States shall undertake a study of
21 the substantial gainful activity level applicable as of
22 that date to recipients of benefits under section 223
23 of the Social Security Act (42 U.S.C. 423) and
24 under section 202 of that Act (42 U.S.C. 402) on
25 the basis of a recipient having a disability, and the

1 effect of such level as a disincentive for those recipi-
2 ents to return to work. In the study, the Comptroller
3 General also shall address the merits of increasing
4 the substantial gainful activity level applicable to
5 such recipients of benefits and the rationale for not
6 yearly indexing that level to inflation.

7 (2) REPORT.—Not later than 2 years after the
8 date of enactment of this Act, the Comptroller Gen-
9 eral 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 written re-
12 port presenting the results of the Comptroller Gen-
13 eral’s study conducted pursuant to this subsection,
14 together with such recommendations for legislative
15 or administrative changes as the Comptroller Gen-
16 eral determines are appropriate.

17 (d) REPORT ON DISREGARDS UNDER THE DI AND
18 SSI PROGRAMS.—Not later than 90 days after the date
19 of enactment of this Act, the Commissioner of Social Secu-
20 rity shall submit to the Committee on Ways and Means
21 of the House of Representatives and the Committee on
22 Finance of the Senate a report that—

23 (1) identifies all income, assets, and resource
24 disregards (imposed under statutory or regulatory
25 authority) that are applicable to individuals receiving

1 benefits under title II or XVI of the Social Security
2 Act (42 U.S.C. 401 et seq., 1381 et seq.);

3 (2) with respect to each such disregard—

4 (A) specifies the most recent statutory or
5 regulatory modification of the disregard; and

6 (B) recommends whether further statutory
7 or regulatory modification of the disregard
8 would be appropriate; and

9 (3) with respect to the disregard described in
10 section 1612(b)(7) of the Social Security Act (42
11 U.S.C. 1382a(b)(7)) (relating to grants, scholar-
12 ships, or fellowships received for use in paying the
13 cost of tuition and fees at any educational (including
14 technical or vocational education) institution)—

15 (A) identifies the number of individuals re-
16 ceiving benefits under title XVI of such Act (42
17 U.S.C. 1381 et seq.) who have attained age 22
18 and have not had any portion of any grant,
19 scholarship, or fellowship received for use in
20 paying the cost of tuition and fees at any edu-
21 cational (including technical or vocational edu-
22 cation) institution excluded from their income
23 in accordance with that section;

24 (B) recommends whether the age at which
25 such grants, scholarships, or fellowships are ex-

1 cluded from income for purposes of determining
2 eligibility under title XVI of the Social Security
3 Act should be increased to age 25; and

4 (C) recommends whether such disregard
5 should be expanded to include any such grant,
6 scholarship, or fellowship received for use in
7 paying the cost of room and board at any such
8 institution.

9 **TITLE IV—TECHNICAL**
10 **AMENDMENTS**

11 **SEC. 401. TECHNICAL AMENDMENTS RELATING TO DRUG**
12 **ADDICTS AND ALCOHOLICS.**

13 (a) CLARIFICATION RELATING TO THE EFFECTIVE
14 DATE OF THE DENIAL OF SOCIAL SECURITY DISABILITY
15 BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.—Sec-
16 tion 105(a)(5) of the Contract with America Advancement
17 Act of 1996 (Public Law 104–121; 110 Stat. 853) is
18 amended—

19 (1) in subparagraph (A), by striking “by the
20 Commissioner of Social Security” and “by the Com-
21 missioner”; and

22 (2) by adding at the end the following:

23 “(D) For purposes of this paragraph, an
24 individual’s claim, with respect to benefits
25 under title II of the Social Security Act based

1 on disability, which has been denied in whole
2 before the date of enactment of this Act, may
3 not be considered to be finally adjudicated be-
4 fore such date if, on or after such date—

5 “(i) there is pending a request for ei-
6 ther administrative or judicial review with
7 respect to such claim, or

8 “(ii) there is pending, with respect to
9 such claim, a readjudication by the Com-
10 missioner of Social Security pursuant to
11 relief in a class action or implementation
12 by the Commissioner of a court remand
13 order.

14 “(E) Notwithstanding the provisions of
15 this paragraph, with respect to any individual
16 for whom the Commissioner of Social Security
17 does not perform the entitlement redetermina-
18 tion before the date prescribed in subparagraph
19 (C), the Commissioner shall perform such enti-
20 tlement redetermination in lieu of a continuing
21 disability review whenever the Commissioner de-
22 termines that the individual’s entitlement is
23 subject to redetermination based on the pre-
24 ceding provisions of this paragraph, and the
25 provisions of section 223(f) of the Social Secu-

1 rity Act shall not apply to such redetermina-
2 tion.”.

3 (b) CORRECTION TO EFFECTIVE DATE OF PROVI-
4 SIONS CONCERNING REPRESENTATIVE PAYEES AND
5 TREATMENT REFERRALS OF SOCIAL SECURITY BENE-
6 FICIARIES WHO ARE DRUG ADDICTS AND ALCOHOLICS.—
7 Section 105(a)(5)(B) of the Contract with America Ad-
8 vancement Act of 1996 (42 U.S.C. 405 note) is amended
9 to read as follows:

10 “(B) The amendments made by para-
11 graphs (2) and (3) shall take effect on July 1,
12 1996, with respect to any individual—

13 “(i) whose claim for benefits is finally
14 adjudicated on or after the date of enact-
15 ment of this Act; or

16 “(ii) whose entitlement to benefits is
17 based on an entitlement redetermination
18 made pursuant to subparagraph (C).”.

19 (c) EFFECTIVE DATES.—The amendments made by
20 this section shall take effect as if included in the enact-
21 ment of section 105 of the Contract with America Ad-
22 vancement Act of 1996 (Public Law 104–121; 110 Stat.
23 852 et seq.).

1 **SEC. 402. TREATMENT OF PRISONERS.**

2 (a) IMPLEMENTATION OF PROHIBITION AGAINST
3 PAYMENT OF TITLE II BENEFITS TO PRISONERS.—

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

7 (A) by inserting “(A)” after “(3)”; and

8 (B) by adding at the end the following:

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

15 “(I) the institution shall provide to the Com-
16 missioner, on a monthly basis and in a manner spec-
17 ified by the Commissioner, the names, Social Secu-
18 rity account numbers, dates of birth, confinement
19 commencement dates, and, to the extent available to
20 the institution, such other identifying information
21 concerning the individuals confined in the institution
22 as the Commissioner may require for the purpose of
23 carrying out paragraph (1); and

24 “(II) the Commissioner shall pay to the institu-
25 tion, with respect to information described in sub-
26 clause (I) concerning each individual who is confined

1 therein as described in paragraph (1)(A), who re-
2 ceives a benefit under this title for the month pre-
3 ceding the first month of such confinement, and
4 whose benefit under this title is determined by the
5 Commissioner to be not payable by reason of con-
6 finement based on the information provided by the
7 institution, \$400 (subject to reduction under clause
8 (ii)) if the institution furnishes the information to
9 the Commissioner within 30 days after the date such
10 individual's confinement in such institution begins,
11 or \$200 (subject to reduction under clause (ii)) if
12 the institution furnishes the information after 30
13 days after such date but within 90 days after such
14 date.

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

20 “(iii) There is authorized to be transferred from the
21 Federal Old-Age and Survivors Insurance Trust Fund and
22 the Federal Disability Insurance Trust Fund, as appro-
23 priate, such sums as may be necessary to enable the Com-
24 missioner to make payments to institutions required by
25 clause (i)(II).

1 “(iv) The Commissioner is authorized to provide, on
2 a reimbursable basis, information obtained pursuant to
3 agreements entered into under clause (i) to any agency
4 administering a Federal or federally assisted cash, food,
5 or medical assistance program for eligibility purposes.”.

6 (2) CONFORMING AMENDMENT TO THE PRI-
7 VACY ACT.—Section 552a(a)(8)(B) of title 5, United
8 States Code, is amended—

9 (A) in clause (vi), by striking “or” at the
10 end;

11 (B) in clause (vii), by adding “or” at the
12 end; and

13 (C) by adding at the end the following:

14 “(viii) matches performed pursuant to
15 section 202(x)(3)(B) or 1611(e)(1)(I) of
16 the Social Security Act (42 U.S.C.
17 402(x)(3)(B), 1382(e)(1)(I));”.

18 (3) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply to individuals whose
20 period of confinement in an institution commences
21 on or after the first day of the fourth month begin-
22 ning 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 the
2 Social Security Act (42 U.S.C. 402(x)(1)(A)) is
3 amended—

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

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

10 (C) in clause (ii)(I), by striking “an of-
11 fense punishable by imprisonment for more
12 than 1 year” and inserting “a criminal of-
13 fense”.

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

19 (c) CONFORMING TITLE XVI AMENDMENTS.—

20 (1) FIFTY PERCENT REDUCTION IN TITLE XVI
21 PAYMENT IN CASE INVOLVING COMPARABLE TITLE II
22 PAYMENT.—Section 1611(e)(1)(I) of the Social Se-
23 curity Act (42 U.S.C. 1382(e)(1)(I)) is amended—

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

4 (B) by redesignating clauses (ii) and (iii)
5 as clauses (iii) and (iv), respectively; and

6 (C) by inserting after clause (i) the fol-
7 lowing:

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

13 (2) EXPANSION OF CATEGORIES OF INSTITU-
14 TIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH
15 THE COMMISSIONER.—Section 1611(e)(1)(I)(i) of
16 the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i))
17 is amended in the matter preceding subclause (I) by
18 striking “institution” and all that follows through
19 “section 202(x)(1)(A),” and inserting “institution
20 comprising a jail, prison, penal institution, or correc-
21 tional facility, or with any other interested State or
22 local institution a purpose of which is to confine in-
23 dividuals as described in section 202(x)(1)(A)(ii),”.

24 (3) ELIMINATION OF OVERLY BROAD EXEMP-
25 TION.—Section 1611(e)(1)(I)(iii) of such Act (42

1 U.S.C. 1382(e)(1)(I)(iii)) (as redesignated by para-
2 graph (1)(B), is amended by striking “(I) The provi-
3 sions” and all that follows through “(II)”.

4 (4) EFFECTIVE DATE.—The amendments made
5 by this subsection shall take effect as if included in
6 the enactment of section 203(a) of the Personal Re-
7 sponsibility and Work Opportunity Reconciliation
8 Act of 1996 (Public Law 104–193; 110 Stat. 2186).
9 The reference to section 202(x)(1)(A)(ii) of the So-
10 cial Security Act in section 1611(e)(1)(I)(i) of the
11 Social Security Act as amended by paragraph (2)
12 shall be deemed a reference to such section
13 202(x)(1)(A)(ii) as amended by subsection (b)(1)(C).

14 (d) CONTINUED DENIAL OF BENEFITS TO SEX OF-
15 FENDERS REMAINING CONFINED TO PUBLIC INSTITU-
16 TIONS UPON COMPLETION OF PRISON TERM.—

17 (1) IN GENERAL.—Section 202(x)(1)(A) of the
18 Social Security Act (42 U.S.C. 402(x)(1)(A)) is
19 amended—

20 (A) in clause (i), by striking “or” at the
21 end;

22 (B) in clause (ii)(IV), by striking the pe-
23 riod and inserting “, or”; and

24 (C) by adding at the end the following:

1 “(iii) immediately upon completion of confine-
2 ment as described in clause (i) pursuant to convic-
3 tion of a criminal offense an element of which is sex-
4 ual activity, is confined by court order in an institu-
5 tion at public expense pursuant to a finding that the
6 individual is a sexually dangerous person or a sexual
7 predator or a similar finding.”.

8 (2) CONFORMING AMENDMENT.—Section
9 202(x)(1)(B)(ii) of the Social Security Act (42
10 U.S.C. 402(x)(1)(B)(ii)) is amended by striking
11 “clause (ii)” and inserting “clauses (ii) and (iii)”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply with respect to bene-
14 fits for months ending after the date of enactment
15 of this Act.

16 **SEC 403. REVOCATION BY MEMBERS OF THE CLERGY OF**
17 **EXEMPTION FROM SOCIAL SECURITY COV-**
18 **ERAGE.**

19 (a) IN GENERAL.—Notwithstanding section
20 1402(e)(4) of the Internal Revenue Code of 1986, any ex-
21 emption which has been received under section 1402(e)(1)
22 of such Code by a duly ordained, commissioned, or li-
23 censed minister of a church, a member of a religious order,
24 or a Christian Science practitioner, and which is effective
25 for the taxable year in which this Act is enacted, may be

1 revoked by filing an application therefore (in such form
2 and manner, and with such official, as may be prescribed
3 by the Commissioner of the Internal Revenue Service), if
4 such application is filed no later than the due date of the
5 Federal income tax return (including any extension there-
6 of) for the applicant's second taxable year beginning after
7 December 31, 1999. Any such revocation shall be effective
8 (for purposes of chapter 2 of the Internal Revenue Code
9 of 1986 and title II of the Social Security Act), as speci-
10 fied in the application, either with respect to the appli-
11 cant's first taxable year beginning after December 31,
12 1999, or with respect to the applicant's second taxable
13 year beginning after such date, and for all succeeding tax-
14 able years; and the applicant for any such revocation may
15 not thereafter again file application for an exemption
16 under such section 1402(e)(1). If the application is filed
17 after the due date of the applicant's Federal income tax
18 return for a taxable year and is effective with respect to
19 that taxable year, it shall include or be accompanied by
20 payment in full of an amount equal to the total of the
21 taxes that would have been imposed by section 1401 of
22 the Internal Revenue Code of 1986 with respect to all of
23 the applicant's income derived in that taxable year which
24 would have constituted net earnings from self-employment
25 for purposes of chapter 2 of such Code (notwithstanding

1 paragraph (4) or (5) of section 1402(c) of such Code) ex-
2 cept for the exemption under section 1402(e)(1) of such
3 Code.

4 (b) EFFECTIVE DATE.—Subsection (a) shall apply
5 with respect to service performed (to the extent specified
6 in such subsection) in taxable years beginning after De-
7 cember 31, 1999, and with respect to monthly insurance
8 benefits payable under title II of the Social Security Act
9 on the basis of the wages and self-employment income of
10 any individual for months in or after the calendar year
11 in which such individual’s application for revocation (as
12 described in such subsection) is effective (and lump-sum
13 death payments payable under such title on the basis of
14 such wages and self-employment income in the case of
15 deaths occurring in or after such calendar year).

16 **SEC. 404. ADDITIONAL TECHNICAL AMENDMENT RELATING**
17 **TO COOPERATIVE RESEARCH OR DEM-**
18 **ONSTRATION PROJECTS UNDER TITLES II**
19 **AND XVI.**

20 (a) IN GENERAL.—Section 1110(a)(3) of the Social
21 Security Act (42 U.S.C. 1310(a)(3)) is amended by strik-
22 ing “title XVI” and inserting “title II or XVI”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect as if included in the enact-
25 ment of the Social Security Independence and Program

1 Improvements Act of 1994 (Public Law 103–296; 108
2 Stat. 1464).

3 **SEC. 405. AUTHORIZATION FOR STATE TO PERMIT ANNUAL**
4 **WAGE REPORTS.**

5 (a) IN GENERAL.—Section 1137(a)(3) of the Social
6 Security Act (42 U.S.C. 1320b–7(a)(3)) is amended by
7 inserting before the semicolon the following: “, and except
8 that in the case of wage reports with respect to domestic
9 service employment, a State may permit employers (as so
10 defined) that make returns with respect to such employ-
11 ment on a calendar year basis pursuant to section 3510
12 of the Internal Revenue Code of 1986 to make such re-
13 ports on an annual basis”.

14 (b) TECHNICAL AMENDMENTS.—Section 1137(a)(3)
15 of the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is
16 amended—

17 (1) by striking “(as defined in section
18 453A(a)(2)(B)(iii))”; and

19 (2) by inserting “(as defined in section
20 453A(a)(2)(B))” after “employers” .

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to wage reports required to be sub-
23 mitted on and after the date of enactment of this Act.

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