

106TH CONGRESS
1ST SESSION

S. 86

To amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. BUNNING introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Ticket to Work and Self-Sufficiency Act of 1999”.

1 (b) TABLE OF CONTENTS.—The table of contents is
2 as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. The Ticket to Work and Self-Sufficiency Program.
- Sec. 3. Extending Medicare coverage for OASDI disability benefit recipients who are using tickets to work and self-sufficiency.
- Sec. 4. Technical amendments relating to drug addicts and alcoholics.
- Sec. 5. Extension of disability insurance program demonstration project authority.
- Sec. 6. Treatment of prisoners.
- Sec. 7. Revocation by members of the clergy of exemption from Social Security coverage.
- Sec. 8. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

3 **SEC. 2. THE TICKET TO WORK AND SELF-SUFFICIENCY**
4 **PROGRAM.**

5 (a) IN GENERAL.—Part A of title XI of the Social
6 Security Act (42 U.S.C. 1301 et seq.) is amended by add-
7 ing at the end the following new section:

8 “THE TICKET TO WORK AND SELF-SUFFICIENCY
9 PROGRAM

10 “SEC. 1147. (a) IN GENERAL.—The Commissioner
11 of Social Security shall establish a Ticket to Work and
12 Self-Sufficiency Program, under which a disabled bene-
13 ficiary may use a ticket to work and self-sufficiency issued
14 by the Commissioner in accordance with this section to
15 obtain employment services, vocational rehabilitation serv-
16 ices, or other support services from an employment net-
17 work which is of the beneficiary’s choice and which is will-
18 ing to provide such services to such beneficiary.

19 “(b) TICKET SYSTEM.—

1 “(1) DISTRIBUTION OF TICKETS.—The Com-
2 missioner of Social Security may issue a ticket to
3 work and self-sufficiency to disabled beneficiaries for
4 participation in 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) PERIODIC ELECTIONS.—Each State agen-
6 cy administering or supervising the administration
7 of the State plan approved under title I of the Reha-
8 bilitation Act of 1973 may elect to participate in the
9 Program (or to revoke any such election) as an em-
10 ployment network. The Commissioner shall provide
11 for periodic opportunities for exercising such elec-
12 tions (and revocations).

13 “(2) TREATMENT OF STATE AGENCIES.—Any
14 such election (or revocation) by a State agency de-
15 scribed in paragraph (1) taking effect during any
16 period for which an individual residing in the State
17 is a disabled beneficiary and a client of the State
18 agency shall not be effective with respect to such in-
19 dividual to the extent that such election (or revoca-
20 tion) would result in any change in the method of
21 payment to the State agency with respect to the in-
22 dividual from the method of payment to the State
23 agency with respect to the individual in effect imme-
24 diately before such election (or revocation).

1 “(3) EFFECT OF PARTICIPATION BY STATE
2 AGENCY.—

3 “(A) STATE AGENCIES PARTICIPATING.—

4 In any case in which a State agency described
5 in paragraph (1) elects under paragraph (1) to
6 participate in the Program—

7 “(i) the employment services, voca-
8 tional rehabilitation services, and other
9 support services which, upon assignment of
10 tickets to work and self-sufficiency, are
11 provided to disabled beneficiaries by the
12 State agency acting as an employment net-
13 work shall be governed by plans for voca-
14 tional rehabilitation services approved
15 under title I of the Rehabilitation Act of
16 1973; and

17 “(ii) the provisions of section 222(d)
18 and the provisions of subsections (d) and
19 (e) of section 1615 shall not apply with re-
20 spect to such State.

21 “(B) STATE AGENCIES ADMINISTERING
22 MATERNAL AND CHILD HEALTH SERVICES PRO-
23 GRAMS.—Subparagraph (A) shall not apply
24 with respect to any State agency administering
25 a program under title V of this Act.

1 “(4) SPECIAL REQUIREMENTS APPLICABLE TO
2 CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—

3 “(A) IN GENERAL.—In any case in which
4 an employment network has been assigned a
5 ticket to work and self-sufficiency by a disabled
6 beneficiary, no State agency shall be deemed re-
7 quired, under this section, title I of the Reha-
8 bilitation Act of 1973, or a State plan approved
9 under such title, to accept any referral of such
10 disabled beneficiary from such employment net-
11 work unless such employment network and such
12 State agency have entered into a written agree-
13 ment that meets the requirements of subpara-
14 graph (B).

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

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

22 “(I) reimbursement for costs in-
23 curred in providing services described
24 in subparagraph (A) to the disabled
25 beneficiary; and

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

5 “(ii) any other conditions that may be
6 required by such regulations.

7 “(C) REGULATIONS.—The Commissioner
8 of Social Security and the Secretary of Edu-
9 cation shall jointly prescribe regulations specify-
10 ing the terms of agreements required by sub-
11 paragraph (A) and otherwise necessary to carry
12 out the provisions of this paragraph.

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

21 “(d) RESPONSIBILITIES OF THE COMMISSIONER OF
22 SOCIAL SECURITY.—

23 “(1) SELECTION AND QUALIFICATIONS OF PRO-
24 GRAM MANAGERS.—The Commissioner of Social Se-
25 curity shall enter into agreements with 1 or more or-

1 organizations in the private or public sector for service
2 as a program manager to assist the Commissioner in
3 administering the Program. Any such program man-
4 ager shall be selected by means of a competitive bid-
5 ding process, from among organizations in the pri-
6 vate or public sector with available expertise and ex-
7 perience in the field of vocational rehabilitation or
8 employment services.

9 “(2) TENURE, RENEWAL, AND EARLY TERMI-
10 NATION.—Each agreement entered into under para-
11 graph (1) shall provide for early termination upon
12 failure to meet performance standards which shall be
13 specified in the agreement and which shall be
14 weighted to take into account any performance in
15 prior terms. Such performance standards shall in-
16 clude (but are not limited to)—

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

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

23 “(3) PRECLUSION FROM DIRECT PARTICIPA-
24 TION IN DELIVERY OF SERVICES IN OWN SERVICE

1 AREA.—Agreements under paragraph (1) shall
2 preclude—

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

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

14 “(4) SELECTION OF EMPLOYMENT NET-
15 WORKS.—The Commissioner shall select and enter
16 into agreements with employment networks for serv-
17 ice under the Program. Such employment networks
18 shall be in addition to State agencies serving as em-
19 ployment networks pursuant to elections under sub-
20 section (c).

21 “(5) TERMINATION OF AGREEMENTS WITH EM-
22 PLOYMENT NETWORKS.—The Commissioner shall
23 terminate agreements with employment networks for
24 inadequate performance, as determined by the Com-
25 missioner.

1 “(6) QUALITY ASSURANCE.—The Commissioner
2 shall provide for such periodic reviews as are nec-
3 essary to provide for effective quality assurance in
4 the provision of services by employment networks.
5 The Commissioner shall take into account the views
6 of consumers and the program manager under which
7 the employment networks serve and shall consult
8 with providers of services to develop performance
9 measurements. The Commissioner shall ensure that
10 the results of the periodic reviews are made available
11 to beneficiaries who are prospective service recipients
12 as they select employment networks. The Commis-
13 sioner shall ensure the performance of periodic sur-
14 veys of beneficiaries receiving services under the
15 Program designed to measure customer service satis-
16 faction.

17 “(7) DISPUTE RESOLUTION.—The Commis-
18 sioner shall provide for a mechanism for resolving
19 disputes between beneficiaries and employment net-
20 works and between program managers and employ-
21 ment networks. The Commissioner shall afford a
22 party to such a dispute a reasonable opportunity for
23 a full and fair review of the matter in dispute.

24 “(e) PROGRAM MANAGERS.—

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

5 “(2) RECRUITMENT OF EMPLOYMENT NET-
6 WORKS.—A program manager shall recruit, and rec-
7 ommend for selection by the Commissioner, employ-
8 ment networks for service under the Program. The
9 program manager shall carry out such recruitment
10 and provide such recommendations, and shall mon-
11 itor all employment networks serving in the Program
12 in the geographic area covered under the program
13 manager’s agreement, to the extent necessary and
14 appropriate to ensure that adequate choices of serv-
15 ices are made available to beneficiaries. Employment
16 networks may serve under the Program only pursu-
17 ant to an agreement entered into with the Commis-
18 sioner under the Program incorporating the applica-
19 ble provisions of this section and regulations there-
20 under, and the program manager shall provide and
21 maintain assurances to the Commissioner that pay-
22 ment by the Commissioner to employment networks
23 pursuant to this section is warranted based on com-
24 pliance by such employment networks with the terms
25 of such agreement and this section. The program

1 manager shall not impose numerical limits on the
2 number of employment networks to be recommended
3 pursuant to this paragraph.

4 “(3) FACILITATION OF ACCESS BY BENE-
5 FICIARIES TO EMPLOYMENT NETWORKS.—A pro-
6 gram manager shall facilitate access by beneficiaries
7 to employment networks. The program manager
8 shall ensure that each beneficiary is allowed changes
9 in employment networks for good cause, as deter-
10 mined by the Commissioner, without being deemed
11 to have rejected services under the Program. The
12 program manager shall establish and maintain lists
13 of employment networks available to beneficiaries
14 and shall make such lists generally available to the
15 public. The program manager shall ensure that all
16 information provided to disabled beneficiaries pursu-
17 ant to this paragraph is provided in accessible for-
18 mat.

19 “(4) ENSURING AVAILABILITY OF ADEQUATE
20 SERVICES.—The program manager shall ensure that
21 employment services, vocational rehabilitation serv-
22 ices, and other support services are provided to
23 beneficiaries throughout the geographic area covered
24 under the program manager’s agreement, including
25 rural areas.

1 “(5) REASONABLE ACCESS TO SERVICES.—The
2 program manager shall take such measures as are
3 necessary to ensure that sufficient employment net-
4 works are available and that each beneficiary receiv-
5 ing services under the Program has reasonable ac-
6 cess to employment services, vocational rehabilitation
7 services, and other support services. Such services
8 may include case management, benefits counseling,
9 supported employment, career planning, career plan
10 development, vocational assessment, job training,
11 placement, follow-up services, and such other serv-
12 ices as may be specified by the Commissioner under
13 the Program. The program manager shall ensure
14 that such services are coordinated.

15 “(f) EMPLOYMENT NETWORKS.—

16 “(1) QUALIFICATIONS FOR EMPLOYMENT NET-
17 WORKS.—Each employment network serving under
18 the Program shall consist of an agency or instru-
19 mentality of a State (or a political subdivision there-
20 of) or a private entity, which assumes responsibility
21 for the coordination and delivery of services under
22 the Program to individuals assigning to the employ-
23 ment network tickets to work and self-sufficiency
24 issued under subsection (b). No employment network
25 may serve under the Program unless it demonstrates

1 to the Commissioner substantial expertise and expe-
2 rience in the field of employment services, vocational
3 rehabilitation services, or other support services for
4 individuals with disabilities and provides an array of
5 such services. An employment network shall consist
6 of either a single provider of such services or of an
7 association of such providers organized so as to com-
8 bine their resources into a single entity. An employ-
9 ment network may meet the requirements of sub-
10 section (e)(4) by providing services directly, or by
11 entering into agreements with other individuals or
12 entities providing appropriate employment services,
13 vocational rehabilitation services, or other support
14 services.

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

19 “(A) serve prescribed service areas;

20 “(B) meet, and maintain compliance with,
21 both general selection criteria (such as profes-
22 sional and governmental certification and edu-
23 cational credentials) and specific selection cri-
24 teria (such as the extent of work experience by
25 the provider with specific populations); and

1 “(C) take such measures as are necessary
2 to ensure that employment services, vocational
3 rehabilitation services, and other support serv-
4 ices provided under the Program by, or under
5 agreements entered into with, the employment
6 network are provided under appropriate individ-
7 ual work plans meeting the requirements of
8 subsection (g).

9 “(3) ANNUAL FINANCIAL REPORTING.—Each
10 employment network shall meet financial reporting
11 requirements as prescribed by the Commissioner.

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

1 network pertaining to the beneficiary. The program
2 manager shall ensure that copies of all such reports
3 issued under this paragraph are made available to
4 the public under reasonable terms.

5 “(g) INDIVIDUAL WORK PLANS.—

6 “(1) IN GENERAL.—Each employment network
7 shall—

8 “(A) take such measures as are necessary
9 to ensure that employment services, vocational
10 rehabilitation services, and other support serv-
11 ices provided under the Program by, or under
12 agreements entered into with, the employment
13 network are provided under appropriate individ-
14 ual work plans as defined by the Commissioner;
15 and

16 “(B) develop and implement each such in-
17 dividual work plan, in the case of each bene-
18 ficiary receiving such services, in a manner that
19 affords such beneficiary the opportunity to ex-
20 ercise informed choice in selecting an employ-
21 ment goal and specific services needed to
22 achieve that employment goal.

23 A beneficiary’s individual work plan shall take effect
24 upon approval by the beneficiary.

1 “(2) VOCATIONAL EVALUATION.—In devising
2 the work plan, the employment network shall under-
3 take a vocational evaluation with respect to the ben-
4 eficiary. Each vocational evaluation shall set forth in
5 writing such elements and shall be in such format as
6 the Commissioner shall prescribe. The Commissioner
7 may provide for waiver by the beneficiary of such a
8 vocational evaluation, subject to regulations which
9 shall be prescribed by the Commissioner providing
10 for the permissible timing of, and the circumstances
11 permitting, such a waiver.

12 “(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

13 “(1) ELECTION OF PAYMENT SYSTEM BY EM-
14 PLOYMENT NETWORKS.—

15 “(A) IN GENERAL.—The Program shall
16 provide for payment authorized by the Commis-
17 sioner to employment networks under either an
18 outcome payment system or an outcome-mile-
19 stone payment system. Each employment net-
20 work shall elect which payment system will be
21 utilized by the employment network, and, for
22 such period of time as such election remains in
23 effect, the payment system so elected shall be
24 utilized exclusively in connection with such em-

1 employment network (except as provided in sub-
2 paragraph (B)).

3 “(B) METHOD OF PAYMENT TO EMPLOY-
4 MENT NETWORKS.—Any such election by an
5 employment network taking effect during any
6 period for which a disabled beneficiary is receiv-
7 ing services from such employment network
8 shall not be effective with respect to such bene-
9 ficiary to the extent that such election would re-
10 sult in any change in the method of payment to
11 the employment network with respect to serv-
12 ices provided to such beneficiary from the meth-
13 od of payment to the employment network with
14 respect to services provided to such beneficiary
15 as of immediately before such election.

16 “(2) OUTCOME PAYMENT SYSTEM.—

17 “(A) IN GENERAL.—The outcome payment
18 system shall consist of a payment structure gov-
19 erning employment networks electing such sys-
20 tem under paragraph (1)(A) which meets the
21 requirements of this paragraph.

22 “(B) PAYMENTS MADE DURING OUTCOME
23 PAYMENT PERIOD.—The outcome payment sys-
24 tem shall provide for a schedule of payments to
25 an employment network, in connection with

1 each individual who is a beneficiary, for each
 2 month, during the individual's outcome pay-
 3 ment period, for which benefits (described in
 4 paragraphs (2) and (3) of subsection (k)) are
 5 not payable to such individual.

6 “(C) COMPUTATION OF PAYMENTS TO EM-
 7 PLOYMENT NETWORK.—The payment schedule
 8 of the outcome payment system shall be de-
 9 signed so that—

10 “(i) the payment for each of the 60
 11 months during the outcome payment pe-
 12 riod for which benefits (described in para-
 13 graphs (2) and (3) of subsection (k)) are
 14 not payable is equal to a fixed percentage
 15 of the payment calculation base for the cal-
 16 endar year in which such month occurs;
 17 and

18 “(ii) such fixed percentage is set at a
 19 percentage which does not exceed 40 per-
 20 cent.

21 “(3) OUTCOME-MILESTONE PAYMENT SYS-
 22 TEM.—

23 “(A) IN GENERAL.—The outcome-mile-
 24 stone payment system shall consist of a pay-
 25 ment structure governing employment networks

1 electing such system under paragraph (1)(A)
2 which meets the requirements of this para-
3 graph.

4 “(B) EARLY PAYMENTS UPON ATTAIN-
5 MENT OF MILESTONES IN ADVANCE OF OUT-
6 COME PAYMENT PERIODS.—The outcome-mile-
7 stone payment system shall provide for 1 or
8 more milestones, with respect to beneficiaries
9 receiving services from an employment network
10 under the Program, which are directed toward
11 the goal of permanent employment. Such mile-
12 stones shall form a part of a payment structure
13 which provides, in addition to payments made
14 during outcome payment periods, payments
15 made prior to outcome payment periods in
16 amounts based on the attainment of such mile-
17 stones.

18 “(C) LIMITATION ON TOTAL PAYMENTS TO
19 EMPLOYMENT NETWORK.—The payment sched-
20 ule of the outcome milestone payment system
21 shall be designed so that the total of the pay-
22 ments to the employment network with respect
23 to each beneficiary is less than, on a net
24 present value basis (using an interest rate de-
25 termined by the Commissioner that appro-

1 priately reflects the cost of funds faced by pro-
2 viders), the total amount to which payments to
3 the employment network with respect to the
4 beneficiary would be limited if the employment
5 network were paid under the outcome payment
6 system.

7 “(4) DEFINITIONS.—For purposes of this
8 subsection—

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

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

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

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

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

13 “(ii) ending with the 60th month
 14 (consecutive or otherwise), ending after
 15 such date, for which such benefits are not
 16 payable to such individual by reason of en-
 17 gagement in work activity.

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

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

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

13 “(B) NUMBER AND AMOUNT OF MILE-
14 STONE PAYMENTS.—The Commissioner shall
15 periodically review the number and amounts of
16 milestone payments established by the Commis-
17 sioner pursuant to this section to determine
18 whether they provide an adequate incentive for
19 employment networks to assist beneficiaries to
20 enter the workforce, taking into account infor-
21 mation provided to the Commissioner by pro-
22 gram managers, the Ticket to Work and Self-
23 Sufficiency Advisory Panel, and other reliable
24 sources. The Commissioner may from time to
25 time alter the number and amounts of mile-

1 stone payments initially established by the
2 Commissioner pursuant to this section to the
3 extent that the Commissioner determines that
4 such an alteration would allow an adequate in-
5 centive for employment networks to assist bene-
6 ficiaries to enter the workforce. Such alteration
7 shall be based on information provided to the
8 Commissioner by program managers, the Ticket
9 to Work and Self-Sufficiency Advisory Panel, or
10 other reliable sources.

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

19 “(j) AUTHORIZATIONS.—

20 “(1) TITLE II DISABILITY BENEFICIARIES.—
21 There are authorized to be transferred from the
22 Federal Old-Age and Survivors Insurance Trust
23 Fund and the Federal Disability Insurance Trust
24 Fund each fiscal year such sums as may be nec-
25 essary to carry out the provisions of this section

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

15 “(A) the total amount to be paid to pro-
16 gram managers and employment networks
17 under this section; and

18 “(B) subject to the provisions of the pre-
19 ceding sentence, the amount which should be
20 charged to each of the Trust Funds.

21 “(2) TITLE XVI DISABILITY BENEFICIARIES.—
22 Amounts authorized to be appropriated to the Social
23 Security Administration under section 1601 (as in
24 effect pursuant to the amendments made by section
25 301 of the Social Security Amendments of 1972)

1 shall include amounts necessary to carry out the
2 provisions of this section with respect to title XVI
3 disability beneficiaries.

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

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

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

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

1 “(4) SUPPLEMENTAL SECURITY INCOME BENE-
2 FIT.—The term ‘supplemental security income bene-
3 fit under title XVI’ means a cash benefit under sec-
4 tion 1611 or 1619(a), and does not include a State
5 supplementary payment, administered federally or
6 otherwise.

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

10 (b) CONFORMING AMENDMENTS.—

11 (1) AMENDMENTS TO TITLE II.—

12 (A) Section 221(c) of such Act (42 U.S.C.
13 421(c)) is amended by adding at the end the
14 following new paragraph:

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

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

20 (C) Section 222(b) of such Act (42 U.S.C.
21 422(b)) is repealed.

22 (D) Section 225(b)(1) of such Act (42
23 U.S.C. 425(b)(1)) is amended by striking “a
24 program of vocational rehabilitation services”
25 and inserting “a program consisting of the

1 Ticket to Work and Self-Sufficiency Program
2 under section 1147 or another program of voca-
3 tional rehabilitation services, employment serv-
4 ices, or other support services”.

5 (2) AMENDMENTS TO TITLE XVI.—

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

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

10 “(1) has not attained age 16; and

11 “(2) with respect to whom benefits are paid
12 under this title,

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

16 (B) Section 1615(c) of such Act (42
17 U.S.C. 1382d(c)) is repealed.

18 (C) Section 1631(a)(6)(A) of such Act (42
19 U.S.C. 1383(a)(6)(A)) is amended by striking
20 “a program of vocational rehabilitation serv-
21 ices” and inserting “a program consisting of
22 the Ticket to Work and Self-Sufficiency Pro-
23 gram under section 1147 or another program of
24 vocational rehabilitation services, employment
25 services, or other support services”.

1 (D) Section 1633(c) of such Act (42
2 U.S.C. 1383b(c)) is amended—

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

4 (ii) by adding at the end the following
5 new paragraph:

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

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

14 (d) GRADUATED IMPLEMENTATION OF PROGRAM.—

15 (1) IN GENERAL.—Not later than 1 year after
16 the date of the enactment of this Act, the Commis-
17 sioner of Social Security shall commence implemen-
18 tation of the amendments made by this section
19 (other than paragraphs (1)(C) and (2)(B) of sub-
20 section (b)) in graduated phases at phase-in sites se-
21 lected by the Commissioner. Such phase-in sites
22 shall be selected so as to ensure, prior to full imple-
23 mentation of the Ticket to Work and Self-Suffi-
24 ciency Program, the development and refinement of
25 referral processes, payment systems, computer link-

1 ages, management information systems, and admin-
2 istrative processes necessary to provide for full im-
3 plementation of such amendments. Subsection (c)
4 shall apply with respect to paragraphs (1)(C) and
5 (2)(B) of subsection (b) without regard to this sub-
6 section.

7 (2) REQUIREMENTS.—Implementation of the
8 Program at each phase-in site shall be carried out
9 on a wide enough scale to permit a thorough evalua-
10 tion of the alternative methods under consideration,
11 so as to ensure that the most efficacious methods
12 are determined and in place for full implementation
13 of the Program on a timely basis.

14 (3) FULL IMPLEMENTATION.—The Commis-
15 sioner shall ensure that the Program is fully imple-
16 mented as soon as practicable on or after the effec-
17 tive date specified in subsection (c) but not later
18 than 6 years after such date.

19 (4) ONGOING EVALUATION OF PROGRAM.—

20 (A) IN GENERAL.—The Commissioner
21 shall design and conduct a series of evaluations
22 to assess the cost-effectiveness of activities car-
23 ried out under this section and the amendments
24 made thereby, as well as the effects of this sec-
25 tion and the amendments made thereby on

1 work outcomes for beneficiaries receiving tickets
2 to work and self-sufficiency under the Program.

3 (B) METHODOLOGY.—

4 (i) DESIGN AND IMPLEMENTATION.—

5 The Commissioner shall design the series
6 of evaluations after receiving relevant ad-
7 vice from experts in the fields of disability,
8 vocational rehabilitation, and program
9 evaluation and individuals using tickets to
10 work and self-sufficiency under the Pro-
11 gram. In designing and carrying out such
12 evaluations, the Commissioner shall consult
13 with the Comptroller General of the United
14 States and other agencies of the Federal
15 Government and with private organizations
16 with appropriate expertise. Before provi-
17 sion of services begins under any phase of
18 Program implementation, the Commis-
19 sioner shall ensure that plans for such
20 evaluations and data collection methods
21 are in place and ready for implementation.

22 (ii) SPECIFIC MATTERS TO BE AD-
23 DRESSED.—Each such evaluation shall ad-
24 dress (but is not limited to):

1 (I) the annual cost (including net
2 cost) of the Program and the annual
3 cost (including net cost) that would
4 have been incurred in the absence of
5 the Program;

6 (II) the determinants of return to
7 work, including the characteristics of
8 beneficiaries in receipt of tickets
9 under the Program;

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

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

1 ment networks of furnishing such
2 services;

3 (V) the employment outcomes,
4 including wages, occupations, benefits,
5 and hours worked, of beneficiaries
6 who return to work after receiving
7 tickets under the Program and those
8 who return to work without receiving
9 such tickets;

10 (VI) the characteristics of provid-
11 ers whose services are provided within
12 an employment network under the
13 Program;

14 (VII) the extent (if any) to which
15 employment networks display a great-
16 er willingness to provide services to
17 disabled beneficiaries;

18 (VIII) the characteristics (includ-
19 ing employment outcomes) of those
20 beneficiaries who receive services
21 under the outcome payment system
22 and of those beneficiaries who receive
23 services under the outcome-milestone
24 payment system;

1 (IX) measures of satisfaction
2 among beneficiaries in receipt of tick-
3 ets under the Program; and

4 (X) reasons for (including com-
5 ments solicited from beneficiaries re-
6 garding) their choice not to use their
7 tickets or their inability to return to
8 work despite the use of their tickets.

9 (C) PERIODIC EVALUATION REPORTS.—

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

1 and recommendations as the Commissioner may
2 consider appropriate.

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

6 (A) IN GENERAL.—In the case of any
7 State in which the amendments made by sub-
8 section (a) have not been fully implemented
9 pursuant to this subsection, the Commissioner
10 shall determine by regulation the extent to
11 which—

12 (i) the requirement under section
13 222(a) of the Social Security Act for
14 prompt referrals to a State agency; and

15 (ii) the authority of the Commissioner
16 under section 222(d)(2) of such Act to
17 provide vocational rehabilitation services in
18 such State by agreement or contract with
19 other public or private agencies, organiza-
20 tions, institutions, or individuals,
21 shall apply in such State.

22 (B) EXISTING AGREEMENTS.—Nothing in
23 subparagraph (A) or the amendments made by
24 subsection (a) shall be construed to limit, im-
25 pede, or otherwise affect any agreement entered

1 into pursuant to section 222(d)(2) of the Social
2 Security Act before the date of the enactment
3 of this Act with respect to services provided
4 pursuant to such agreement to beneficiaries re-
5 ceiving services under such agreement as of
6 such date, except with respect to services (if
7 any) to be provided after 6 years after the ef-
8 fective date provided in subsection (e).

9 (e) THE TICKET TO WORK AND SELF-SUFFICIENCY
10 ADVISORY PANEL.—

11 (1) ESTABLISHMENT.—There is established in
12 the executive branch a panel to be known as the
13 “Ticket to Work and Self-Sufficiency Advisory
14 Panel” (in this subsection referred to as the
15 “Panel”).

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

18 (A) advise the Commissioner of Social Se-
19 curity on establishing phase-in sites for the
20 Ticket to Work and Self-Sufficiency Program
21 and on fully implementing the Program there-
22 after;

23 (B) advise the Commissioner with respect
24 to the refinement of access of disabled bene-
25 ficiaries to employment networks, payment sys-

1 tems, and management information systems
2 and advise the Commissioner whether such
3 measures are being taken to the extent nec-
4 essary to ensure the success of the Program;

5 (C) advise the Commissioner regarding the
6 most effective designs for research and dem-
7 onstration projects associated with the Program
8 or conducted pursuant to subsection (h);

9 (D) advise the Commissioner on the devel-
10 opment of performance measurements relating
11 to quality assurance under section 1147(d)(6)
12 of the Social Security Act; and

13 (E) furnish progress reports on the Pro-
14 gram to the President and each House of the
15 Congress.

16 (3) MEMBERSHIP.—

17 (A) NUMBER AND APPOINTMENT.—The
18 Panel shall be composed of 6 members as fol-
19 lows:

20 (i) one member appointed by the
21 Chairman of the Committee on Ways and
22 Means of the House of Representatives;

23 (ii) one member appointed by the
24 ranking minority member of the Commit-

1 tee on Ways and Means of the House of
2 Representatives;

3 (iii) one member appointed by the
4 Chairman of the Committee on Finance of
5 the Senate;

6 (iv) one member appointed by the
7 ranking minority member of the Commit-
8 tee on Finance of the Senate; and

9 (v) two members appointed by the
10 President, who may not be of the same po-
11 litical party.

12 (B) REPRESENTATION.—Of the members
13 appointed under subparagraph (A), at least 4
14 shall have experience or expert knowledge as a
15 recipient, provider, employer, or employee in the
16 fields of, or related to, employment services, vo-
17 cational rehabilitation services, and other sup-
18 port services, of whom—

19 (i) at least 1 shall represent the inter-
20 ests of recipients of employment services,
21 vocational rehabilitation services, and other
22 support services;

23 (ii) at least 1 shall represent the in-
24 terests of providers of employment serv-

1 ices, vocational rehabilitation services, and
2 other support services;

3 (iii) at least 1 shall represent the in-
4 terests of private employers;

5 (iv) at least 1 shall represent the in-
6 terests of employees; and

7 (v) at least 1 shall be an individual
8 who is or has been a recipient of benefits
9 under title II or title XVI based on disabil-
10 ity.

11 (C) TERMS.—

12 (i) IN GENERAL.—Each member shall
13 be appointed for a term of 4 years (or, if
14 less, for the remaining life of the Panel),
15 except as provided in clauses (ii) and (iii).
16 The initial members shall be appointed not
17 later than 90 days after the date of the en-
18 actment of this Act.

19 (ii) TERMS OF INITIAL AP-
20 POINTEES.—As designated by the Presi-
21 dent at the time of appointment, of the
22 members first appointed—

23 (I) three of the members ap-
24 pointed under subparagraph (A) shall

1 be appointed for a term of 2 years;
2 and

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

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

16 (D) BASIC PAY.—Members shall each be
17 paid at a rate equal to the daily equivalent of
18 the rate of basic pay for level 4 of the Senior
19 Executive Service, as in effect from time to
20 time under section 5382 of title 5, United
21 States Code, for each day (including travel
22 time) during which they are engaged in the ac-
23 tual performance of duties vested in the Panel.

24 (E) TRAVEL EXPENSES.—Each member
25 shall receive travel expenses, including per diem

1 in lieu of subsistence, in accordance with sec-
2 tions 5702 and 5703 of title 5, United States
3 Code.

4 (F) QUORUM.—Four members of the
5 Panel shall constitute a quorum but a lesser
6 number may hold hearings.

7 (G) CHAIRPERSON.—The Chairperson of
8 the Panel shall be designated by the President.
9 The term of office of the Chairperson shall be
10 4 years.

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

14 (4) DIRECTOR AND STAFF OF PANEL; EXPERTS
15 AND CONSULTANTS.—

16 (A) DIRECTOR.—The Panel shall have a
17 Director who shall be appointed by the Panel.
18 The Director shall be paid at a rate not to ex-
19 ceed the maximum rate of pay payable for GS-
20 15 of the General Schedule.

21 (B) STAFF.—Subject to rules prescribed
22 by the Panel, the Director may appoint and fix
23 the pay of additional personnel as the Director
24 considers appropriate.

1 (C) EXPERTS AND CONSULTANTS.—Sub-
2 ject to rules prescribed by the Panel, the Direc-
3 tor may procure temporary and intermittent
4 services under section 3109(b) of title 5, United
5 States Code.

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

12 (5) POWERS OF PANEL.—

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

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

23 (C) MAILS.—The Panel may use the
24 United States mails in the same manner and

1 under the same conditions as other departments
2 and agencies of the United States.

3 (D) ADMINISTRATIVE SUPPORT SERV-
4 ICES.—Upon the request of the Panel, the Ad-
5 ministrator of General Services shall provide to
6 the Panel, on a reimbursable basis, the admin-
7 istrative support services necessary for the
8 Panel to carry out its duties under this sub-
9 section.

10 (6) REPORTS.—

11 (A) INTERIM REPORTS.—The Panel shall
12 submit to the President and the Congress in-
13 terim reports at least annually.

14 (B) FINAL REPORT.—The Panel shall
15 transmit a final report to the President and the
16 Congress not later than 8 years after the date
17 of the enactment of this Act. The final report
18 shall contain a detailed statement of the find-
19 ings and conclusions of the Panel, together with
20 its recommendations for legislation and admin-
21 istrative actions which the Panel considers ap-
22 propriate.

23 (7) TERMINATION.—The Panel shall terminate
24 30 days after the date of the submission of its final
25 report under paragraph (6)(B).

1 (8) AUTHORIZATION OF APPROPRIATIONS.—

2 There are authorized to be appropriated from the
3 Federal Old-Age and Survivors Insurance Trust
4 Fund, the Federal Disability Insurance Trust Fund,
5 and the general fund of the Treasury, as appro-
6 priate, such sums as are necessary to carry out this
7 subsection.

8 (f) SPECIFIC REGULATIONS REQUIRED.—

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

13 (2) SPECIFIC MATTERS TO BE INCLUDED IN
14 REGULATIONS.—The matters which shall be ad-
15 dressed in such regulations shall include (but are not
16 limited to)—

17 (A) the form and manner in which tickets
18 to work and self-sufficiency may be distributed
19 to beneficiaries pursuant to section 1147(b)(1)
20 of the Social Security Act;

21 (B) the format and wording of such tick-
22 ets, which shall incorporate by reference any
23 contractual terms governing service by employ-
24 ment networks under the Program;

1 (C) the form and manner in which State
2 agencies may elect participation in the Ticket to
3 Work and Self-Sufficiency Program (and revoke
4 such an election) pursuant to section
5 1147(c)(1) of such Act and provision for peri-
6 odic opportunities for exercising such elections
7 (and revocations);

8 (D) the status of State agencies under sec-
9 tion 1147(c)(2) of such Act at the time that
10 State agencies exercise elections (and revoca-
11 tions) under section 1147(c)(1) of such Act;

12 (E) the terms of agreements to be entered
13 into with program managers pursuant to sec-
14 tion 1147(d) of such Act, including (but not
15 limited to)—

16 (i) the terms by which program man-
17 agers are precluded from direct participa-
18 tion in the delivery of services pursuant to
19 section 1147(d)(3) of such Act;

20 (ii) standards which must be met by
21 quality assurance measures referred to in
22 paragraph (6) of section 1147(d) of such
23 Act and methods of recruitment of employ-
24 ment networks utilized pursuant to para-

1 graph (2) of section 1147(e) of such Act;

2 and

3 (iii) the format under which dispute
4 resolution will operate under section
5 1147(d)(7) of such Act;

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

10 (i) the manner in which service areas
11 are specified pursuant to section
12 1147(f)(2)(A) of such Act;

13 (ii) the general selection criteria and
14 the specific selection criteria which are ap-
15 plicable to employment networks under
16 section 1147(f)(2)(B) of such Act in select-
17 ing service providers;

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

22 (iv) the national model to which peri-
23 odic outcomes reporting by employment
24 networks must conform under section
25 1147(f)(4) of such Act;

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

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

7 (i) the form and manner in which
8 elections by employment networks of pay-
9 ment systems are to be exercised pursuant
10 to section 1147(h)(1)(A) of such Act;

11 (ii) the terms which must be met by
12 an outcome payment system under section
13 1147(h)(2) of such Act;

14 (iii) the terms which must be met by
15 an outcome-milestone payment system
16 under section 1147(h)(3) of such Act;

17 (iv) any revision of the percentage
18 specified in paragraph (2)(C) of section
19 1147(h) of such Act or the period of time
20 specified in paragraph (4)(B) of section
21 1147(h) of such Act; and

22 (v) annual oversight procedures for
23 such systems; and

24 (I) procedures for effective oversight of the
25 Program by the Commissioner of Social Secu-

1 rity, including periodic reviews and reporting
2 requirements.

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

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

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

1 Commissioner shall determine is sufficient to ade-
2 quately evaluate the appropriateness of national im-
3 plementation of such a program. Such projects shall
4 identify reductions in Federal expenditures that may
5 result from the permanent implementation of such
6 a program.

7 (2) SCOPE AND SCALE AND MATTERS TO BE
8 DETERMINED.—

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

15 (i) the effects, if any, of induced entry
16 and reduced exit;

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

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

1 The Commissioner shall take into account ad-
2 vice provided by the Ticket to Work and Self-
3 Sufficiency Advisory Panel pursuant to sub-
4 section (e)(2)(C).

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

8 (i) the annual cost (including net
9 cost) of the project and the annual cost
10 (including net cost) that would have been
11 incurred in the absence of the project;

12 (ii) the determinants of return to
13 work, including the characteristics of the
14 beneficiaries who participate in the project;
15 and

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

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

24 (3) WAIVERS.—The Commissioner may waive
25 compliance with the benefit provisions of title II of

1 the Social Security Act, and the Secretary of Health
2 and Human Services may waive compliance with the
3 benefit requirements of title XVIII of such Act, in
4 so far as is necessary for a thorough evaluation of
5 the alternative methods under consideration. No
6 such project shall be actually placed in operation un-
7 less at least 90 days prior thereto a written report,
8 prepared for purposes of notification and informa-
9 tion only and containing a full and complete descrip-
10 tion thereof, has been transmitted by the Commis-
11 sioner to the Committee on Ways and Means of the
12 House of Representatives and to the Committee on
13 Finance of the Senate. Periodic reports on the
14 progress of such projects shall be submitted by the
15 Commissioner to such committees. When appro-
16 priate, such reports shall include detailed rec-
17 ommendations for changes in administration or law,
18 or both, to carry out the objectives stated in para-
19 graph (1).

20 (4) INTERIM REPORTS.—On or before June 9
21 in 2000 and each of the succeeding years thereafter,
22 the Commissioner shall submit to the Congress an
23 interim report on the progress of the demonstration
24 projects carried out under this subsection together

1 with any related data and materials which the Com-
2 missioner may consider appropriate.

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

7 (6) EXPENDITURES.—Expenditures made for
8 demonstration projects under this subsection shall
9 be made from the Federal Disability Insurance
10 Trust Fund and the Federal Old-Age and Survivors
11 Insurance Trust Fund, as determined appropriate by
12 the Commissioner, and from the Federal Hospital
13 Insurance Trust Fund and the Federal Supple-
14 mentary Medical Insurance Trust Fund, as deter-
15 mined appropriate by the Secretary of Health and
16 Human Services, to the extent provided in advance
17 in appropriation Acts.

18 (i) STUDY BY GENERAL ACCOUNTING OFFICE OF
19 EXISTING DISABILITY-RELATED EMPLOYMENT INCEN-
20 TIVES.—

21 (1) STUDY.—As soon as practicable after the
22 date of the enactment of this Act, the Comptroller
23 General of the United States shall undertake a study
24 to assess existing tax credits and other disability-re-
25 lated employment incentives under the Americans

1 with Disabilities Act of 1990 and other Federal
2 laws. In such study, the Comptroller General shall
3 specifically address the extent to which such credits
4 and other incentives would encourage employers to
5 hire and retain individuals with disabilities under the
6 Ticket to Work and Self-Sufficiency Program.

7 (2) REPORT.—Not later than 3 years after the
8 date of the enactment of this Act, the Comptroller
9 General shall transmit to the Committee on Ways
10 and 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 may determine to be appropriate.

17 (j) STUDY BY GENERAL ACCOUNTING OFFICE OF
18 EXISTING COORDINATION OF THE DI AND SSI PROGRAMS
19 AS THEY RELATE TO INDIVIDUALS ENTERING OR LEAV-
20 ING CONCURRENT ENTITLEMENT.—

21 (1) STUDY.—As soon as practicable after the
22 date of the enactment of this Act, the Comptroller
23 General of the United States shall undertake a study
24 to evaluate the coordination under current law of the
25 disability insurance program under title II of the So-

1 cial Security Act and the supplemental security in-
2 come program under title XVI of such Act, as such
3 programs relate to individuals entering or leaving
4 concurrent entitlement under such programs. In
5 such study, the Comptroller General shall specifically
6 address the effectiveness of work incentives under
7 such programs with respect to such individuals and
8 the effectiveness of coverage of such individuals
9 under titles XVIII and XIX of such Act.

10 (2) REPORT.—Not later than 18 months after
11 the date of the enactment of this Act, the Comptrol-
12 ler General shall transmit to the Committee on
13 Ways and Means of the House of Representatives
14 and the Committee on Finance of the Senate a writ-
15 ten report presenting the results of the Comptroller
16 General’s study conducted pursuant to this sub-
17 section, together with such recommendations for leg-
18 islative or administrative changes as the Comptroller
19 General may determine to be appropriate.

1 **SEC. 3. EXTENDING MEDICARE COVERAGE FOR OASDI DIS-**
2 **ABILITY BENEFIT RECIPIENTS WHO ARE**
3 **USING TICKETS TO WORK AND SELF-SUFFI-**
4 **CIENCY.**

5 (a) IN GENERAL.—The next to last sentence of sec-
6 tion 226(b) of the Social Security Act (42 U.S.C. 426)
7 is amended—

8 (1) by striking “throughout all of which” and
9 inserting “throughout the first 24 months of which”;
10 and

11 (2) by inserting after “but not in excess of 24
12 such months” the following: “(plus 24 additional
13 such months in the case of an individual who the
14 Commissioner determines is using a ticket to work
15 and self-sufficiency issued under section 1147, but
16 only for additional months that occur in the 7-year
17 period beginning on the date of the enactment of the
18 Ticket to Work and Self-Sufficiency Act of 1999)”.

19 (b) REPORT.—Not later than 6 months prior to the
20 end of the 7-year period beginning on the date of the en-
21 actment of this Act, the Secretary of Health and Human
22 Services and the Commissioner of Social Security shall
23 submit in writing to each House of the Congress their rec-
24 ommendations for further legislative action with respect
25 to the amendments made by subsection (a), taking into
26 account experience derived from efforts to achieve full im-

1 “(ii) there is pending, with respect to
2 such claim, a readjudication by the Com-
3 missioner of Social Security pursuant to
4 relief in a class action or implementation
5 by the Commissioner of a court remand
6 order.

7 “(E) Notwithstanding the provisions of
8 this paragraph, with respect to any individual
9 for whom the Commissioner of Social Security
10 does not perform the entitlement redetermina-
11 tion before the date prescribed in subparagraph
12 (C), the Commissioner shall perform such enti-
13 tlement redetermination in lieu of a continuing
14 disability review whenever the Commissioner de-
15 termines that the individual’s entitlement is
16 subject to redetermination based on the preced-
17 ing provisions of this paragraph, and the provi-
18 sions of section 223(f) of the Social Security
19 Act shall not apply to such redetermination.”.

20 (b) CORRECTION TO EFFECTIVE DATE OF PROVI-
21 SIONS CONCERNING REPRESENTATIVE PAYEES AND
22 TREATMENT REFERRALS OF SOCIAL SECURITY BENE-
23 FICIARIES WHO ARE DRUG ADDICTS AND ALCOHOLICS.—
24 Section 105(a)(5)(B) of such Act (Public Law 104–121;
25 110 Stat. 853) is amended to read as follows:

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

4 “(i) whose claim for benefits is finally
5 adjudicated on or after the date of the en-
6 actment of this Act; or

7 “(ii) whose entitlement to benefits is
8 based upon an entitlement redetermination
9 made pursuant to subparagraph (C).”.

10 (c) EFFECTIVE DATES.—The amendments made by
11 this section shall take effect as if included in the enact-
12 ment of section 105 of the Contract with America Ad-
13 vancement Act of 1996 (Public Law 104–121; 110 Stat.
14 852 et seq.).

15 **SEC. 5. EXTENSION OF DISABILITY INSURANCE PROGRAM**
16 **DEMONSTRATION PROJECT AUTHORITY.**

17 (a) IN GENERAL.—Section 505 of the Social Security
18 Disability Amendments of 1980 (Public Law 96–265; 94
19 Stat. 473), as amended by section 12101 of the Consoli-
20 dated Omnibus Budget Reconciliation Act of 1985 (Public
21 Law 99–272; 100 Stat. 282), section 10103 of the Omni-
22 bus Budget Reconciliation Act of 1989 (Public Law 101–
23 239; 103 Stat. 2472), section 5120(f) of the Omnibus
24 Budget Reconciliation Act of 1990 (Public Law 101–508;
25 104 Stat. 1388–282), and section 315 of the Social Secu-

1 rity Independence and Program Improvements Act of
2 1994 (Public Law 103–296; 108 Stat. 1531), is further
3 amended—

4 (1) in paragraph (1) of subsection (a), by add-
5 ing at the end the following new sentence: “The
6 Commissioner may expand the scope of any such
7 demonstration project to include any group of appli-
8 cants for benefits under such program with impair-
9 ments which may reasonably be presumed to be dis-
10 abling for purposes of such demonstration project,
11 and may limit any such demonstration project to
12 any such group of applicants, subject to the terms
13 of such demonstration project which shall define the
14 extent of any such presumption.”;

15 (2) in paragraph (3) of subsection (a), by strik-
16 ing “June 10, 1996” and inserting “June 10,
17 2001”;

18 (3) in paragraph (4) of subsection (a), by in-
19 serting “and on or before October 1, 2000,” after
20 “1995,”; and

21 (4) in subsection (c), by striking “October 1,
22 1996” and inserting “October 1, 2001”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall take effect on the date of the enact-
25 ment of this Act.

1 **SEC. 6. 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 new
9 subparagraph:

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

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

25 “(II) the Commissioner shall pay to the institu-
26 tion, with respect to information described in sub-

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

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

21 “(iii) The provisions of section 552a of title 5, United
22 States Code, shall not apply to any agreement entered into
23 under clause (i) or to information exchanged pursuant to
24 such agreement.

1 “(iv) There is authorized to be transferred from the
 2 Federal Old-Age and Survivors Insurance Trust Fund and
 3 the Federal Disability Insurance Trust Fund, as appro-
 4 priate, such sums as may be necessary to enable the Com-
 5 missioner to make payments to institutions required by
 6 clause (i)(II).

7 “(v) The Commissioner is authorized to provide, on
 8 a reimbursable basis, information obtained pursuant to
 9 agreements entered into under clause (i) to any agency
 10 administering a Federal or federally-assisted cash, food,
 11 or medical assistance program for eligibility purposes.”.

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

17 (b) ELIMINATION OF TITLE II REQUIREMENT THAT
 18 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-
 19 PRISONMENT FOR MORE THAN 1 YEAR.—

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

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

24 (B) in clause (i), by striking “an offense
 25 punishable by imprisonment for more than 1

1 year (regardless of the actual sentence im-
 2 posed)” and inserting “a criminal offense”; and

3 (C) in clause (ii)(I), by striking “an of-
 4 fense punishable by imprisonment for more
 5 than 1 year” and inserting “a criminal of-
 6 fense”.

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

12 (c) CONFORMING TITLE XVI AMENDMENTS.—

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

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

20 (B) by redesignating clauses (ii) and (iii)
 21 as clauses (iii) and (iv) respectively; and

22 (C) by inserting after clause (i) the follow-
 23 ing new clause:

24 “(ii) The dollar amounts specified in clause (i)(II)
 25 shall be reduced by 50 percent if the Commissioner is also

1 required to make a payment to the institution with respect
2 to the same individual under an agreement entered into
3 under section 202(x)(3)(B).”.

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

15 (3) EFFECTIVE DATE.—The amendments made
16 by this subsection shall take effect as if included in
17 the enactment of section 203(a) of the Personal Re-
18 sponsibility and Work Opportunity Reconciliation
19 Act of 1996 (Public Law 104–193; 110 Stat. 2186).
20 The reference to section 202(x)(1)(A)(ii) of the So-
21 cial Security Act in section 1611(e)(1)(I)(i) of such
22 Act as amended by paragraph (2) shall be deemed
23 a reference to such section 202(x)(1)(A)(ii) as
24 amended by subsection (b)(1)(C).

1 (d) CONTINUED DENIAL OF BENEFITS TO SEX OF-
2 FENDERS REMAINING CONFINED TO PUBLIC INSTITU-
3 TIONS UPON COMPLETION OF PRISON TERM.—

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

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

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

11 (C) by adding at the end the following new
12 clause:

13 “(iii) immediately upon completion of confine-
14 ment as described in clause (i) pursuant to convic-
15 tion of a criminal offense an element of which is sex-
16 ual activity, is confined by court order in an institu-
17 tion at public expense pursuant to a finding that the
18 individual is a sexually dangerous person or a sexual
19 predator or a similar finding.”.

20 (2) CONFORMING AMENDMENT.—Section
21 202(x)(1)(B)(ii) of such Act (42 U.S.C.
22 402(x)(1)(B)(ii)) is amended by striking “clause
23 (ii)” and inserting “clauses (ii) and (iii)”.

24 (3) EFFECTIVE DATE.—The amendments made
25 by this subsection shall apply with respect to bene-

1 fits for months ending after the date of the enact-
2 ment of this Act.

3 **SEC. 7. REVOCATION BY MEMBERS OF THE CLERGY OF EX-**
4 **EMPTION FROM SOCIAL SECURITY COV-**
5 **ERAGE.**

6 (a) IN GENERAL.—Notwithstanding section
7 1402(e)(4) of the Internal Revenue Code of 1986, any ex-
8 emption which has been received under section 1402(e)(1)
9 of such Code by a duly ordained, commissioned, or li-
10 censed minister of a church, a member of a religious order,
11 or a Christian Science practitioner, and which is effective
12 for the taxable year in which this Act is enacted, may be
13 revoked by filing an application therefor (in such form and
14 manner, and with such official, as may be prescribed in
15 regulations made under chapter 2 of such Code), if such
16 application is filed no later than the due date of the Fed-
17 eral income tax return (including any extension thereof)
18 for the applicant's second taxable year beginning after De-
19 cember 31, 1998. Any such revocation shall be effective
20 (for purposes of chapter 2 of the Internal Revenue Code
21 of 1986 and title II of the Social Security Act), as speci-
22 fied in the application, either with respect to the appli-
23 cant's first taxable year beginning after December 31,
24 1998, or with respect to the applicant's second taxable
25 year beginning after such date, and for all succeeding tax-

1 able years; and the applicant for any such revocation may
2 not thereafter again file application for an exemption
3 under such section 1402(e)(1). If the application is filed
4 after the due date of the applicant's Federal income tax
5 return for a taxable year and is effective with respect to
6 that taxable year, it shall include or be accompanied by
7 payment in full of an amount equal to the total of the
8 taxes that would have been imposed by section 1401 of
9 the Internal Revenue Code of 1986 with respect to all of
10 the applicant's income derived in that taxable year which
11 would have constituted net earnings from self-employment
12 for purposes of chapter 2 of such Code (notwithstanding
13 section 1402 (c)(4) or (c)(5) of such Code) except for the
14 exemption under section 1402(e)(1) of such Code.

15 (b) EFFECTIVE DATE.—Subsection (a) shall apply
16 with respect to service performed (to the extent specified
17 in such subsection) in taxable years beginning after De-
18 cember 31, 1998, and with respect to monthly insurance
19 benefits payable under title II of the Social Security Act
20 on the basis of the wages and self-employment income of
21 any individual for months in or after the calendar year
22 in which such individual's application for revocation (as
23 described in such subsection) is effective (and lump-sum
24 death payments payable under such title on the basis of

1 such wages and self-employment income in the case of
2 deaths occurring in or after such calendar year).

3 **SEC. 8. ADDITIONAL TECHNICAL AMENDMENT RELATING**
4 **TO COOPERATIVE RESEARCH OR DEM-**
5 **ONSTRATION PROJECTS UNDER TITLES II**
6 **AND XVI.**

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

10 (b) **EFFECTIVE DATE.**—The amendment made by
11 subsection (a) shall take effect as if included in the enact-
12 ment of the Social Security Independence and Program
13 Improvements Act of 1994 (Public Law 103–296; 108
14 Stat. 1464).

○