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Disabilities - Kennedy/Jeffords Bill

Disability ~~Health~~ - Kennedy Jeffords bill

THE WHITE HOUSE

WASHINGTON

January 12, 1999

NEW INITIATIVE TO PROVIDE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES

DATE:	January 13, 1999
TIME:	11:35 am to 12:30 pm
LOCATION:	East Room
FROM:	Bruce Reed/Gene Sperling Chris Jennings/Ben Johnson

I. PURPOSE

To announce an employment-related disability initiative, which will be touted by the disability community as the boldest disability initiative since the ADA. This initiative will demonstrate your commitment to providing real economic opportunity for people with disabilities, whose unemployment rate is around 75 percent.

II. BACKGROUND

You will unveil a historic new initiative that will remove significant barriers to work for people with disabilities. This three-part budget initiative, which invests over $2 billion over five years, includes: (1) full funding of the Work Incentives Improvement Act which will be introduced by Senators Jeffords, Kennedy, Roth, and Moynihan next week; (2) a new $1,000 tax credit to cover work-related costs for people with disabilities; and (3) expanded access to information and communications technologies. With these new proposals, the Administration will have taken action on every recommendation made in the report of your Task Force on the Employment of Adults with Disabilities, which the Vice President accepted last month. Justin Dart, one of the foremost leaders of the disability communities, stated in response to today's proposals: "The Clinton-Gore Administration has a long history of supporting the disability community. This policy initiative is one of the boldest since the landmark passage of the ADA."

Critical Need to Remove Barriers to Work

Since you took office, the American economy has added 17.7 million new jobs, and unemployment is at a 29-year low of 4.3 percent. The unemployment rate among all working-age adults with disabilities, however, is nearly 75 percent. According to current estimates, about 1.6 million working-age adults have a disability that leads to functional limitations and 14 million working-age adults have less severe but still significant disabilities.

People with disabilities can bring tremendous energy and talent to the American workforce, but institutional barriers often limit their ability to work. Most critically, people with disabilities often become ineligible for Medicaid or Medicare if they work. This means that many people with disabilities are put in the untenable position of choosing between health care coverage and work. In addition, advances in technology and communications are often not accessible to people with disabilities.

Three-Part Initiative to Improve Economic Opportunities for Americans with Disabilities

- **Funding the Work Incentives Improvement Act in your budget.** Health care -- particularly prescription drugs and personal assistance -- is essential for people with disabilities to work. Today, you are announcing that your FY 2000 budget will fund the full cost of the Work Incentives Improvement Act. This proposal, which costs $1.2 billion over 5 years, would:

  - Improve access to health care by:

    -- Expanding states' ability to provide a Medicaid buy-in to people with disabilities who return to work. This provision would enable states to offer the buy-in to people whose assets and/or income exceed current limits. It also would give states the option of offering the buy-in to people with medical conditions, such as rheumatoid arthritis, who do not meet the current disability standard, but who can work only because of medical treatment. Finally, this provision would give health care grants to those that do so.

    -- Extending Medicare coverage, for the first time, for people with disabilities who return to work. Although Medicare does not provide as comprehensive a benefit as Medicaid, this aspect of the proposal ensures that all people with disabilities who return to work have access to health care coverage, even if they live in a state that does not take the Medicaid option.

    -- Creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that is not yet severe enough to qualify for health care assistance, but that is reasonably expected to lead to a severe disability in the absence of medical treatment. This demonstration could help people with muscular dystrophy, Parkinson's Disease, HIV or diabetes who are able to work with appropriate health care.

  - Modernize the vocational rehabilitation system by creating a "ticket" that will enable SSI or SSDI beneficiaries to go to any of a number of public or private providers for vocational rehabilitation. If the beneficiary goes to work and achieves substantial earnings, providers would be paid a portion of the benefits saved.

  - Create a Work Incentive Grant program to provide benefits planning and assistance, facilitate access to information about work incentives, and better integrate services to people with disabilities working or returning to work.

- **Providing a $1,000 tax credit for work-related expenses for people with disabilities.** The daily costs of getting to and from work, and being effective at work, can be high if not prohibitive for people with disabilities. Under this new proposal, workers with significant disabilities would receive an annual $1,000 tax credit to help cover the formal and informal costs that are associated with employment, such as special transportation and technology. Like the Jeffords-Kennedy Work Incentive Act, this tax credit, which will assist 200,000 to 300,000 Americans, will help ensure that people with disabilities have the tools they need to return to work. The credit will cost $700 million over 5 years.

- **Improving access to assistive technology.** Technology is often not adapted for people with disabilities and even when it is, people with disabilities may not be able to afford it. This new initiative would accelerate the development and adoption of information and communications technologies that can improve the quality of life for people with disabilities and enhance their ability to participate in the workplace. The initiative would: (1) help make the Federal government a "model user" of assistive technology; (2) support new and expanded state loan programs to make assistive technology more affordable for Americans with disabilities; and (3) invest in research and development and technology transfer in areas such as "text to speech" for people who are blind, automatic captioning for people who are deaf, and speech recognition and eye tracking for people who can't use a keyboard. It would cost $35 million in FY 2000, more than double the government's current investment in deploying assistive technology.

Program Participants

You will be introduced by *Karen Moore,* who is a 53 year old polio survivor. Ms. Moore receives SSDI ($493 a month) and Medicare, plus Medicaid personal attendant benefits. She currently works as a dispatcher for River City Transit and Pier. Without her personal attendant benefits, which she receives through the Medicaid program, Ms. Moore would be unable to work, because she is unable to get ready in the morning without assistance. Her job position entitles her to make $7.50 an hour, but when she was hired, she asked the company to lower her salary to $5.50 an hour to reduce a copayment for her Medicaid benefit. Ms. Moore is not sure she can continue working at her current level of salary and co-payment. Today's initiative could improve her health care coverage, as well as give her a tax credit for employment-related assistance.

III. PARTICIPANTS

Briefing Participants
The Vice President
Secretary Shalala
Secretary Herman
Gene Sperling
Bruce Reed
Ben Johnson
Tracey Thornton
Jordan Tamagni
Jeanne Lambrew
Sarah Bianchi
Jonathan Young

Program Participants
You
The Vice President
Senator Kennedy
Senator Jeffords
Senator Harkin
Karen Moore

IV. PRESS PLAN

Information about the new initiative has been advanced to all major national papers for Wednesday. In addition, Secretary Herman will be available to brief the press at the top of Joe Lockhart's briefing.

V. SEQUENCE OF EVENTS

-- **You** and the Vice President, together with Secretary Herman, Secretary Shalala, Senator Jeffords, Senator Kennedy, Senator Harkin, and Karen Moore are announced into the East Room.
-- The Vice President delivers remarks and introduces Karen Moore.
-- Karen Moore delivers brief remarks and introduces **you**.
-- **You** deliver remarks and introduce Senator Jeffords.
-- Senator Jeffords delivers remarks and introduces Senator Kennedy.
-- Senator Kennedy delivers remarks and introduces Senator Harkin.
-- **You** deliver brief closing remarks and depart.

VI. REMARKS

Your remarks have been prepared by Speechwriting.

PRESIDENT CLINTON AND VICE PRESIDENT GORE UNVEIL NEW INITIATIVE TO IMPROVE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES
January 13, 1999

Today, President Clinton will unveil a historic new initiative that will remove significant barriers to work for people with disabilities. This three-part budget initiative, which invests over $2 billion over five years, includes: (1) full funding of the Work Incentives Improvement Act which will be introduced by Senators Jeffords, Kennedy, Roth, and Moynihan next week; (2) a new $1,000 tax credit to cover work-related costs for people with disabilities; and (3) expanded access to information and communications technologies. With these new proposals, the Administration will have taken action on every recommendation made in the report of the President's Task Force on the Employment of Adults with Disabilities, which the Vice President accepted last month. Justin Dart, one of the foremost leaders of the disability communities, stated in response to today's proposals: "The Clinton-Gore Administration has a long history of supporting the disability community. This policy initiative is one of the boldest since the landmark passage of the ADA."

CRITICAL NEED TO REMOVE BARRIERS TO WORK
Since President Clinton took office, the American economy has added 17.7 million new jobs, and unemployment is at a 29-year low of 4.3 percent. The unemployment rate among all working-age adults with disabilities, however, is nearly 75 percent. According to current estimates, about 1.6 million working-age adults have a disability that leads to functional limitations and 14 million working-age adults have less severe but still significant disabilities.

People with disabilities can bring tremendous energy and talent to the American workforce, but institutional barriers often limit their ability to work. Most critically, people with disabilities often become ineligible for Medicaid or Medicare if they work. This means that many people with disabilities are put in the untenable position of choosing between health care coverage and work. In addition, advances in technology and communications are often not accessible to people with disabilities.

THREE-PART INITIATIVE TO IMPROVE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES

- **Funding the Work Incentives Improvement Act in the President's budget.** Health care -- particularly prescription drugs and personal assistance -- is essential for people with disabilities to work. Today, the President is announcing that his FY 2000 budget will fund the full cost of the Work Incentives Improvement Act. This proposal, which costs $1.2 billion over 5 years, would:

  - Improve access to health care by:

    -- Expanding states' ability to provide a Medicaid buy-in to people with disabilities who return to work. This provision would enable states to offer the buy-in to people whose assets and/or income exceed current limits. It also would give states the option of offering the buy-in to people with medical conditions, such as rheumatoid arthritis, who do not meet the current disability standard, but who can work only because of medical treatment. Finally, this provision would give health care grants to those that do so.

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-- Creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that is not yet severe enough to qualify for health care assistance, but that is reasonably expected to lead to a severe disability in the absence of medical treatment. This demonstration could help people with muscular dystrophy, Parkinson's Disease, HIV or diabetes who are able to work with appropriate health care.

- Modernize the employment services system by creating a "ticket" that will enable SSI or SSDI beneficiaries to go to any of a number of public or private providers for vocational rehabilitation. If the beneficiary goes to work and achieves substantial earnings, providers would be paid a portion of the benefits saved.

- Create a Work Incentive Grant program to provide benefits planning and assistance, facilitate access to information about work incentives, and better integrate services to people with disabilities working or returning to work.

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With these steps, the Administration has taken action on all Task Force Recommendations. In December, the Vice President accepted the report of the President's Task Force on the Employment of Adults with Disabilities, took action on some of their recommendations, and pledged that the Administration would review others in the budget process. With the new steps taken today, as well as an announcement that Mrs. Gore will make tomorrow, the Administration has taken action on all the Task Force formal recommendations:

-- Work to pass the Work Incentive Improvement Act -- included in Adminstration's budget.
-- Work to pass a strong Patients' Bill of Rights -- high Administration priority.

- -- Examine tax options to assist with expenses of work -- included in Administration's budget.
- -- Foster interdisciplinary consortia for employment services -- included in Administration's budget.
- -- Accelerate development and adoption of assistive technology -- included in Administration's budget.
- -- Direct Small Business Administration to expand outreach -- Vice President announced in December.
- -- Remove Federal hiring barriers for people with mental illness -- Mrs. Gore will unveil tomorrow.
- -- Direct OPM to develop model plan for Federal hiring of people with disabilities -- Vice President unveiled in December.

Disability Initiative Q & A's
January 12, 1999

Q. How is this initiative funded?

A. This initiative is fully funded through offsets in the President's proposed FY 2000 budget. All of these provisions will be described in the budget documents released in early February.

Follow-up: Isn't it irresponsible to announce specific spending proposals without announcing how these proposals will be financed?

Not at all. The President will ensure that this -- and all other new initiatives -- will be fully paid for as part of his overall balanced budget proposal. Like most budgets, the President's FY2000 budget will not contain a specific dollar-for-dollar link between new proposals and offsets. The bottom line, however, will reflect the President's long-standing commitment to a balanced budget. Moreover, not one dime will be taken away from the surplus for this initiative.

Q. Shouldn't this tax credit be refundable? Doesn't this mean that low-income people are not helped by this initiative?

A. No. The vast majority of low-income people with disabilities are already covered by Medicare and Medicaid. This initiative enables states to cover people who would be rendered ineligible by virtue of returning to work and gaining a higher income. Thus, most of the funding in this initiative is targeted toward those low-income people in the process of returning to work.

The tax credit helps offsets the higher costs of work (e.g., personal assistants, special transportation) for people with disabilities who pay taxes, irrespective of their income or state of residence. It also, unlike Medicaid and Medicare, allows the worker to use the funds for whatever expenses they incur.

Q. Why are we only doing tax initiatives? Are you rejecting traditional Medicare and Medicaid program expansions? Aren't you catering to Republicans?

A: Each policy in the President's budget was designed to be the most cost-effective approach to solving a particular problem. This tax credit for workers with disabilities is no exception. Workers with disabilities have very different costs -- for rural residents, it may be transportation; for people with limited use of their hands, it may be assistive devices. A tax credit offers the flexibility to assist with a wide-ranging and changing set of needs in a way that Medicaid expansions cannot.

Similarly, the informal, unmeasurable costs of family caregiving are best addressed through a tax credit, as proposed in our long-term care initiative. If Medicaid or Medicare expanded to cover respite care, for example, it would undermine rather than strengthen informal family caregiving and cost billions more.

In no way does the President's support for these tax credits undermine his commitment to Medicare and Medicaid. This President has an unparalleled record of protecting, strengthening and expanding these programs. For example, the President's aggressive actions to reduce Medicare fraud contributed to record-low spending growth in 1998 -- the same year that he added new preventive benefits, health plan choices, and low-income protections to Medicare.

Q. How many people will benefit from this proposal?

A. Between 200,000 and 300,000 people would likely benefit from the tax credit. Millions more could benefit from the new options, services and programs in the Work Incentive Improvement Act and the assistive technology initiative.

Q. What are this initiative's prospects of passing?

A. Removing barriers to work for people with disabilities goes beyond partisan politics. We can all agree that something must be done so that people with disabilities can fully participate in today's strong economy. Senators Jeffords, Kennedy, Roth and Moynihan have already committed to working hard for the Work Incentive Improvement Act. We hope that early passage of this bill can show the American public that this Congress and President can work together to address real problems that are affecting people's lives today.

Disabilities - Kennedy - Jeffords bill

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Thompson accuses Clinton of stealing idea

By Steven Walters
of the Journal Sentinel staff
December 1, 1998

Madison -- Gov. Tommy G. Thompson accused President Clinton of planning to steal Wisconsin's idea to let thousands of citizens with disabilities work without losing housing, medical and home health care benefits that keep them alive.

In a statement Monday, Thompson asked Clinton to formally waive federal rules so Wisconsin can begin its own Pathways to Independence program before the president makes a similar proposal in the budget he will give Congress next year. The New York Times reported that Clinton will make such a proposal.

Although on a trade mission to Austria and Germany, Thompson accused Clinton of "following Wisconsin's lead."

The president should make sure Wisconsin's innovative program can start before stealing it, the governor said.

"We need the White House to be good partners in helping the disabled succeed by giving us the necessary waivers for Pathways to Independence to begin," Thompson said. "We're ready to make this program work."

About 97,000 people in Wisconsin have disabilities, and the pathways program would allow up to 1,800 of them to work, keep full Medicaid, Medicare and Supplemental Security Income benefits and, in return, share the costs of those benefits.

Activists have said Wisconsin's proposal, already approved by the Legislature and awaiting federal approval, would be the most innovative experiment in the country.

Journal Sentinel Online — Main Page — Go!
Inside News — Sunday Features — Go!

CHRIS/EK/ —
Is there a waiver we could give here?
BR

Disabilities - Kennedy/Jeffords bill

March 31, 1998

Note to:
Bob Hattoy
Office of White House Liaison
Department of Interior

I spoke during the last meeting of the Gay and Lesbian Appointees about the chance for the VPOTUS to redeem some aspect of his promise to expand Medicaid coverage to individuals with HIV through the Administration's support of the Kennedy-Jeffords Work Incentives Improvement Act of 1998. The bill was introduced March 25th, with public statements of support from Senators Kennedy, Jeffords, and Harkin, and former Majority Leader Bob Dole. Kennedy and Jeffords have succeeded in establishing a carve-out of funds for the legislation in the Senate Budget Resolution, with the full support of Senators Domenici and Hatch. Document 2 of this packet gives the details of the legislative bill, which will likely receive a public hearing in April and be attached to the Omnibus Appropriations Bill at the end of the session.

Another statutory and HCFA directive providing improved Medicaid coverage for individuals with HIV and other disabilities is the result of Section 4733 of the 1997 Balanced Budget Act. I have enclosed as the first document an explanation of the results of the HFCA directive to states implementing these provisions. The document was developed by the Title II Community AIDS National Network. It also notes the VPOTUS intervention on behalf of a more liberal policy. The disability rights community had also requested the same policy approach.

Two essential factors that make the Kennedy-Jeffords legislation important to the HIV and disability communities is the removal of the 250% cap, and the establishment of a substantial prescription medications program. I think it merits priority support from the gay and lesbian appointees in encouraging the Administration to identify the principles it could accept for the legislation, should it be presented to the President for signature. HCFA, OMB, and the White House DPC are not fans of this legislation due to projected costs that do not take into account tax payments and other benefit reductions for individuals under this program.

I have played a role in trying to bring the disability and HIV communities together on this issue. Following an initial meeting sponsored by the Department of Education, Kennedy's staff actively involved HIV/AIDS organizations in the final stages of the legislation's development.

I have recently stepped down from my DAS position at Education to work on a National Task Force on Employment of Adults with Disabilities, created by a March 23rd Executive Order and housed under the Secretary of Labor. We hope to use the Task Force as a way of pressing the Administration on this issue. My new number at Labor is 219-6197 x 164.

Howard Moses

cc: Richard Soccarides

COPY TO SANDY THURMAN
TOBY DONENFELD
GINNY APUZZO
ELENA KAGAN
RON KLAIN
R. SOC

TITLE II COMMUNITY AIDS NATIONAL NETWORK

Widened Access Project
March 18, 1998

To: Howard Moses
Deputy Assistant Secretary of Education

From: Tom McCormack
Technical Advisor

Subject: Medicaid Buy In For the Working Disabled

As you know, Section 4733 of last year's Balanced Budget Act offered states the option of giving Medicaid to working disabled persons with incomes below 250% of poverty. Persons eligible would not only be those leaving SSDI and SSI to try a return to work. The provision also covers working disabled persons who are **not yet** on SSDI or SSI.

Because disability will be determined by often more-liberal-than-Social Security state agencies, and because they can't consider whether a person is able to work in deciding disability (which SSA does) this means that many, many more impaired persons could get Medicaid under this option. Persons now on SSDI, SSI, Medicaid and other programs who are ready to return to work can do so with this safety net while they try (hopefully) to acquire employer health insurance.

Enclosed is a packet with a brief summary of the provision; an example showing eligibility calculations; a model state statute/regulation to implement the option; the text of the federal law; and the text of the revised HCFA policy issuance on this. This, I hope, should be a useful tool for those who attempt to advocate at the state level for rapid, generous implementation of this new law.

I realize that focusing on the difficult eligibility policy issues necessary to understand this provision involves some extraordinary effort. **Unlike the still-vain hopes in the AIDS community that the Medicaid program will be magically expanded by a magic wand "waiver", though, THIS provision offers a way--NOW!--to cover a large portion of HIV-impaired and other disabled persons who might be covered were the Medicaid laws "waived".**

I should add that Vice President Gore's office intervened to prevent the Health Care Financing Administration from implementing this provision in a less-than-generous way, and that he did so at the express request of T2CANN. This should, at least partially "redeem" the Medicaid expansion pledge he made last year. We do owe him thanks for this.

Enclosure

STATES CAN OFFER MEDICAID TO WORKING DISABLED AT PREMIUM

If their states agree, working disabled persons who meet eased state disability standards, with incomes well into the middle range, will be able to purchase Medicaid coverage by paying premiums. The plan would be open not only to disabled persons leaving Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) to try a return to work. Disabled workers who **never were** on SSDI or SSI can also get Medicaid coverage under the new law.

States would set and collect the premiums on an income-related, sliding scale basis. The states' Medical Review Teams (SRTs or MRTs) would determine disability for those not on, or leaving, SSDI or SSI (Social Security-funded Disability Determination Services--"DDSs" --already do this for SSDI and SSI cases).

A key part of SSDI and SSI disability decisions is the substantial gainful activity (SGA) rule--whether a person is capable of, or actually is, working can prevent eligibility, no matter what the medical condition.. But working disabled persons who'll get Medicaid under the new law will be exempt from the SGA rule. States **cannot** consider SGA; they must decide whether a person is disabled using only medical and clinical data. This could greatly liberalize access to Medicaid, depending on states' actual practices.

Under the program, working disabled persons can buy Medicaid coverage if their **net, countable** incomes are below 250% of the annual federal poverty level ($1,677.08 monthly for a family of one in 1998). Because the income-counting rules disregard (i.e., don't count) out-of-pocket medical costs and $85 and half the rest of gross earnings before comparing what's left to the eligibility level, **those earning almost $40,000 yearly could qualify!**

Asset rules must also be met: one can have up to $2,000 in liquid assets; $1500 in a separate burial account; a vehicle and lived-in home of any value; reasonable household goods; $6,000 in self-employment property; and assets being saved under a government-approved Plan to Achieve Self Support.

Persons leaving SSDI to resume work can keep getting their benefit checks for the first 12 months back at work. But, under this provision, those checks will be counted in a way to prevent new workers from getting Medicaid. States can stop this from happening by invoking their right, under Section 1902(r) of the Social Security Act, to disregard disability income benefits for those 12 beginning-work months. States could also elect to not count as assets the retirement funds of new, disabled workers; this would encourage many more to try returning to work.

Monthly, Jason receives $750 in SSDI benefits and $200 in private disability payments. He is on Medicare Parts A and B (his premium: $43.80) and his job's health insurance premium is $100. He grosses $39,000 ($3250 monthly) annually at the job he just started. He himself spends, in addition to his premiums, $400 monthly on out-of-pocket medical costs. He has just begun his 9 month Trial Work Period, to be followed by his 3 month Grace Period, during which he can collect his full SSDI check plus whatever he can earn; after that, if he continues to work, the SSDI stops. (The private disability benefit may or may not continue after work starts, depending on its own rules.) Although he doesn't get child support or scholarship income, and he isn't a student under 22 or blind, and therefore can't take **those** special income disregards, these are the disregards he **can take**:

Gross monthly income:	
SSDI	$750
Private disability	200
Salary	3250
Total Gross Income	$4200

The disregard of disability income benefits means that the SSDI and private disability pension are counted as **$0**.

The general disregard of $20 and $65 of earnings means that the countable salary is reduced to **$3165.**

The Impairment Related Work Expenses (IRWE) disregard of out-of-pocket medical expenses ($400 plus Medicare premium of $43.80 plus health insurance premium of $100) means that countable salary is further reduced to **$2621.20.**

The earnings disregard of half the remainder means that countable salary is further, and finally reduced to **$1310.60.**

Total COUNTABLE income is therefore $1310.60; since this is less than 250% of the poverty level for a family of one in 1998 ($1677.08), Jason is eligible to purchase Medicaid if he also satisfies the resources and disability rules.

Once he becomes eligible, Medicaid will also pay his Medicare Part B premium (and after 42 months' return to work, his Medicare Part A premium too) as well as his private health insurance (including COBRA) premiums.

(Note that SSDI and other disability income benefits which a recipient receives during his first year's return to work -- that is, during the 9 month Trial Work Period and the 3 month Grace Period--will be countable and therefore will prevent eligibility for almost all applicants **unless** the state explicitly invokes its authority under Section 1902(r) to have an **extra** disregard of **all** disability income benefits paid during the first 12 months back at work.)

MODEL STATUTE/REGULATION FOR STATES TO OFFER MEDICAID TO WORKING DISABLED WITH NET INCOMES UNDER 250% OF POVERTY

1. Effective ________ this state shall offer categorically needy medical assistance under title XIX of the federal Social Security Act to employed persons in families with net, countable incomes below 250% of the family size-adjusted income poverty level as defined by the federal Office of Management and Budget and revised annually under Section 673(2) of the federal Omnibus Budget Reconciliation Act of 1981.

2. For purposes of this section, countable family income shall be determined under the provisions set forth in Section 1612 of the federal Social Security Act.

3. In addition to the provisions of Section 1612, disability income benefits received by the applicant family shall be fully disregarded, in determining countable income, for up to 12 months in any 60 month period, pursuant to Section 1902(r) of the federal Social Security Act.

4. Resources permitted shall be those set forth in Section 1613 of the federal Social Security Act; in addition, further resources in the form of employer or individual retirement arrangements which are authorized by the federal Internal Revenue Code shall be disregarded, pursuant to Section 1902(r) of the federal Social Security Act.

5. Medical assistance available under this section shall be available to those who have been determined to be disabled under title II, title XVI or Section 1902(v) of the federal Social Security Act, but without regard to the ability to engage in, or actual engagement in, substantial gainful activity, as defined under Section 223(d)(4) of that Act.

6. The state shall enter into contracts with the Federal Health Care Financing Administration (HCFA) to timely pay premiums, and then shall pay premiums, for both Part A and Part B of the Medicare program established under title XVIII of the federal Social Security Act, for those recipients eligible for that program. The state shall likewise pay private health coverage premiums (including COBRA and Medicare supplement premiums) except where not cost effective.

7. Medical assistance services under this provision shall be available in the same amount, duration and scope as that available for categorically needy recipients of Supplemental Security Income (SSI) benefits paid under title XVI of the federal Social Security Act. Premiums shall be based upon countable income, using a sliding scale as income rises, with a minimum premium of $5 and a maximum of $200 monthly.

"(d) APPLIC... assistance described in section 1902(... for calendar quarters in a calendar...

"(1) to t... that such assistance does not exceed the State's allocation under subsection (c) for the fiscal year ending in the calendar year, the Federal medical assistance percentage shall be equal to 100 percent; and

"(2) to the extent that such assistance exceeds such allocation, the Federal medical assistance percentage is 0 percent.

"(e) LIMITATION ON ENTITLEMENT.—Except as specifically provided under this section, nothing in this title shall be construed as establishing any entitlement of individuals described in section 1902(a)(10)(E)(iv) to assistance described in such section.

"(f) COVERAGE OF COSTS THROUGH PART B OF THE MEDICARE PROGRAM.—For each fiscal year, the Secretary shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 to the appropriate account in the Treasury that provides for payments under section 1903(a) with respect to medical assistance provided under this section, of an amount equivalent to the total of the amount of payments made under such section that is attributable to this section and such transfer shall be treated as an expenditure from such Trust Fund for purposes of section 1839.".

SEC. 4733. STATE OPTION TO PERMIT WORKERS WITH DISABILITIES TO BUY INTO MEDICAID.

Section 1902(a)(10)(A)(ii) (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(1) in subclause (XI), by striking "or" at the end;

(2) in subclause (XII), by adding "or" at the end; and

(3) by adding at the end the following:

"(XIII) who are in families whose income is less than 250 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved, and who but for earnings in excess of the limit established under section 1905(q)(2)(B), would be considered to be receiving supplemental security income (subject, notwithstanding section 1916, to payment of premiums or other cost-sharing charges (set on a sliding scale based on income) that the State may determine);".

SEC. 4734. PENALTY FOR FRAUDULENT ELIGIBILITY.

Section 1128B(a) (42 U.S.C. 1320a–7b(a)), as amended by section 217 of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2008), is amended—

(1) by striking paragraph (6) and inserting the following:

"(6) for a fee knowingly and willfully counsels or assists an individual to dispose of assets (including by any transfer in trust) in order for the individual to become eligible for medical assistance under a State plan under title XIX, if disposing of the assets results in the imposition of a period of ineligibility for such assistance under section 1917(c),"; and

(2) in clause (ii) of the matter following such paragraph, by striking "failure, or conversion by any other person" and

inser
ance

SEC. 4735.

(a) IN
the paym
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March 9, 1998

Dear State Medicaid Director:

This letter is one of a series that provides guidance on the implementation of the Balanced Budget Act.

We are writing to alert you to a change in policy on section 4733 of the Balanced Budget Act of 1997 (BBA) from that set forth in our State Medicaid Director letter dated November 24, 1997. Section 4733 created an optional categorically needy group designed to provide Medicaid eligibility to disabled working individuals who, because of relatively high earnings, cannot qualify for Medicaid under one of the other statutory provisions under which disabled working individuals may be eligible for medical assistance.

In an enclosure to the November 24 letter, we described a two-step eligibility process consisting of a family income test of 250 percent of the Federal poverty level, followed by an individual eligibility determination. The family income test required that the family's gross income, essentially without deductions or exemptions, be compared to 250 percent of the poverty level for a family of the size involved.

Since release of the November 24 letter, concerns have been raised about the use of the family's gross income for the family income test. The primary objection is that using the family's gross income limits the amount of income individuals could have and still qualify for eligibility under this group to a point where, in approximately half the States, the income standard under section 4733 is lower than the income standard under section 1619(b) of the Act.

In view of these concerns, and after careful consideration of the options available, we have decided to change our policy on the family income test. Instead of using the family's gross income, States wishing to cover this group should measure the family's net income against the 250 percent family income standard. The family's net income is determined by applying all appropriate SSI income disregards, including the earned income disregard, to the family's total income. The result, i.e., the family's net income, is then compared to the 250 percent income standard.

Use of the family's net, rather than gross, income will have the affect of greatly increasing the amount of income a disabled individual can have and still qualify for eligibility under this group. This in turn will enable States to provide Medicaid to a greater number of disabled individuals, who without such coverage might not be able to work.

The revised enclosure explains use of the net, rather than gross, family income test. It also provides information, which was not included in the earlier version, on use of section 1902(r)(2) more liberal methodologies, as well as use of more restrictive policies in 209(b) States. We also make it clear that the SSI income standard, which is used to determine the individual's eligibility following the family net income test, includes optional State supplementary payments. Finally, the revised enclosure discusses the use of substantial gainful activity (SGA) as a criterion in determining eligibility under this group.

We apologize for any inconvenience issuance of our previous policy may have caused. Any questions about this provision or this letter should be directed to Roy Trudel of my staff at (410) 786-3417.

Sincerely,

/s/

Sally K. Richardson
Director
Center for Medicaid and State Operations

Enclosure

cc:
All HCFA Regional Administrators

All HCFA Associate Regional Administrators
for Medicaid and State Operations

Lee Partridge
American Public Welfare Association

Joy Wilson
National Conference of State Legislatures

Jennifer Baxendell
National Governors' Association

HCFA Press Office

Enclosure

Determining Eligibility for Individuals Under Section 4733 of BBA

The eligibility determination for individuals in this group is essentially a sequential two-step process.

1. The first step is a net income test, based on the family's combined income, including all earnings. (A family can also be just one individual; i.e., a family of one.) The family's net combined income must be less than 250 percent of the federal poverty level for a family of the size involved. Family income is determined by applying all appropriate SSI disregards and exemptions, including the earned income disregard, to the family's total income. If the family's income, after all deductions and exemptions have been applied, is equal to or exceeds 250 percent of the appropriate poverty level, the individual is not eligible for Medicaid under this provision.

   It is up to the State to determine what constitutes a "family" in the context of this provision. As one example, a State could choose to consider a disabled adult living with his or her parents as a family of one for purposes of meeting the 250 percent family income standard.

2. Assuming the individual has met the net family income test, the second step is a determination of whether he or she meets the disability, assets, and unearned income standards to receive an SSI benefit. Income of other family members used in Step 1 is not included (unless the individual has an ineligible spouse whose income is subject to the SSI deeming rules). To be eligible under this provision, the individual must meet all SSI eligibility criteria (including categorical requirements).

   SSI methodologies are used in making this determination except that all earned income received by the individual is disregarded. The individual's countable unearned income (e.g., title II disability benefits) must be less than the SSI income standard (in 1998, $494 for an individual), or the standard for optional State supplementary payments (SSP) if the State makes such payments. If unearned income equals or exceeds the SSI/SSP income standard, the individual is not eligible for Medicaid under this provision.

   The individual's countable resources must be equal to or less than the SSI resource standard ($2,000 for an individual).

Under section 1902(r)(2) of the Act, States may use more liberal income and resource methodologies than are used by the SSI program in determining eligibility for this group. Also, 209(b) States may, but are not required to, apply their more restrictive eligibility policies in determining eligibility for this group.

There is no requirement that the individual must at one time have been an SSI recipient to be eligible under this provision. However, if the individual was not an SSI recipient, you must do a disability determination to ensure that the individual would meet the eligibility requirements for SSI. A disability determination for an individual who was not previously an SSI recipient should not consider whether the individual engaged in substantial gainful activity (SGA), since use of SGA as an eligibility criterion would in almost all instances result in the individual not being eligible under this group, effectively negating the intent of this provision.

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Synopsis of the Work Incentives Improvement Act of 1998

- This week we will introduce the Work Incentives Improvement Act of 1998. This bill is intended to reform and improve the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) work incentives to assist persons with disabilities to overcome the barriers to work.

- Current policies to encourage and support the dream of persons with disabilities to work and live independently need substantial reform. Many of these fellow citizens want to work, but less than ½ of 1% of the beneficiaries leave the Social Security rolls and become self-sufficient.

- Their attempts to work are undermined by the inability to obtain affordable health care and the loss of cash assistance. Such assistance is critical to living independently and an inability to obtain it makes them highly unlikely to become or remain self-sufficient.

- Today, 7.5 million disabled Americans depend on assistance from Social Security. The cost to the taxpayer is $73 billion annually and will continue to increase at 6 percent a year. Social Security disability payments are the fourth largest entitlement expenditure by the federal government.

- If 75,000 of the 7.5 million Americans with disabilities, just one percent, become successfully employed, savings in cash assistance would total $3.5 billion over the work life of the individual.

- The Work Incentives Improvement Act:

  --- provides continued Medicare coverage, and a reasonable premium rate for SSDI beneficiaries who go to work;

  --- strengthens current State Medicaid Waiver projects that provide health services and supports to persons with disabilities who want to work; and

  --- offers a new option to states to use Medicaid to cover personal assistance services and prescription drugs for persons with disabilities who need these services in order to work.

- This legislation supports the development of demonstration projects which will gradually phase out the loss of cash benefits as a worker's income rises, instead of the current cash cut-off that so many disabled persons who return to work face today.

- Finally, this legislation will also enable Congress to obtain the kind of information it needs to undertake more comprehensive reform of disability work incentive programs.

- Work is a central part of the American dream, and Congress has an opportunity to provide cost-effective assistance to help disabled Americans pursue a career.

Summary
of the
Work Incentive Improvement Act of 1998

March 25, 1998

On March 25, 1998 Senators Jeffords and Kennedy will introduce the Work Incentive Improvement Act of 1998 (WIIA). Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries' lose cash benefits and health insurance when they become employed. WIIA creates incentives for these beneficiaries to work by continuing access to health insurance and providing other incentives compatible with employment. It will also assist individuals who would be eligible for cash benefits and federal insurance coverage but work, to have access to affordable health coverage when they wish to work.

The legislation contains costs by allowing individuals to buy-in to Medicare under certain circumstances; reduces escalating expenditures in the SSI and SSDI programs; and gives the States the option of providing key services connected to employment to provide greater opportunities to its disability populations, which will reduce the strain on State public assistance programs.

Background

Social Security Disability Insurance Recipients. Under current law an individual receiving SSDI and Medicare may return to work and receive cash benefits for a 9 month Trial Work Period (TWP), working at the level of Substantial Gainful Activity (SGA): defined as $500/month, plus a 3 month "grace period." Also, an SSDI beneficiary who waits 24 months from the "onset of a disability," becomes eligible for Medicare, Parts A and B. In the 13th month of work: (a) the individual loses cash benefits; (b) Medicare Part A benefits that provide acute illness and injury coverage continue at no cost; and (3) the beneficiary may purchase Medicare Part B Hospital Insurance benefits for 39 months following the end of the TWP at the same rate as retired, uninsured Medicare beneficiaries: about $43/month.

At the completion of the 39 month period, the beneficiary pays for both Part A and Part B at the same rate as retired and uninsured Medicare beneficiaries, more than $375/month. This is too expensive for many persons with disabilities. In fact, out of the more than 3.5 million SSDI beneficiaries, only 114 individuals took advantage of the buy-in during fiscal year 1996. In addition, some of the most important services to enable a person with a disability to return to work are not available to them under current law, such as personal assistance services and prescription drug coverage.

Supplemental Security Insurance Recipients. Under current law an individual receiving SSI and Medicaid may begin or return to work and receive cash benefits under the Section 1619 Program administered by Social Security. Cash benefits are reduced on a sliding scale based on a formula that reduces the monthly cash benefit check by $1 for every $2 earned above SSI's SGA level: defined as $85/month, with a $20 monthly earnings disregard. The beneficiary is also able to continue receiving Medicaid with net earnings up to 250% of poverty

THE OPTIONS PROGRAM
An Opportunity to Fully Integrate Through Occupations

When an eligible SSDI beneficiary has identified an employment opportunity, they would be eligible to enter the Opportunity to Fully Integrate Through Occupations (OPTIONS) Program. A Work Incentive Counseling and Assistance Program would educate and guide the beneficiary through the process.

Under the WIIA, SSDI beneficiaries, with the help of Social Security Field Office personnel, would be able to sign an OPTIONS form. Long-term beneficiaries (those who have been SSDI beneficiaries for longer than 24 months) would not suspend their cash benefits but would remain under the restrictions of SGA of $500/month in earnings in order to continue to receive cash benefits. An OPTIONS form would be available at SSA, Vocational Rehabilitation, job training and referral centers and other federal and state offices that are responsible for elements of existing disability programs. SSDI beneficiaries may sign at any time following a determination of eligibility.

Those individuals requesting OPTIONS participation and in need of job training, vocational rehabilitation or other services to facilitate their reentry to the workforce would, upon request, be immediately referred (as under current law) to State or private vocational rehabilitation providers, or to other job training services. Those SSDI long term beneficiaries who are ready to return to work would be eligible for Medicare Part A and Part B coverage on the month following their eligibility determination and signing a form. As an OPTIONS participant, the individual would also be eligible for services established under a State Medicaid buy-in option.

1619 A and B participants would be considered for benefits under OPTIONS without having to enter the program, as 1619 A and B is considered the "work options program" for SSI beneficiaries.

Following determination of eligibility under SSDI, new beneficiaries (those receiving cash assistance but in the 24 month waiting period for Medicare) would be offered eligibility to the OPTIONS program. Upon choosing to be an OPTIONS participant, health benefits included under the State Medicaid buy-in program would be made available, **as long as the participant meets the state's definition of "eligibility".**

Note: if an OPTIONS participant in the 24 month waiting period ceased working, or did not begin working, s/he would return to their prior benefits eligibility status before exercising OPTIONS. Thus, if an OPTIONS participant was eligible for cash benefits, signs up for

OPTIONS, and leaves work for any reason, the individual would return to cash benefit eligibility.

Effects of the Legislation

*There are four categories of persons with disabilities who would benefit.**

1. **Work-eligible individuals who are between 16 to 65 years old.** SSDI or SSI beneficiaries who intend to begin or return to work, and are in need of Personal Assistance Services (PAS) and prescription drug coverage.

2. **Individuals who are receiving SSDI cash benefits, but have not completed the initial waiting period of 24-months for Medicare benefits.**

3. **SSDI beneficiaries who are receiving cash benefits and are covered by Medicare.**

4. **Working persons with disabilities.** Individuals who are determined by the State to need PAS or prescription drugs in order to be able to work. This category **does not** include individuals who are currently receiving SSDI, but **does** include those individuals who are currently in SSI's 1619 program and need PAS.

How the Incentives Would Work for Each of the 4 Categories

1. **Work-eligible individuals who are between 16 to 65 years old.** States would have the option to offer personal assistance services and prescription drug coverage to non-working SSDI or SSI beneficiaries who intend to begin or return to work as defined by the state, under a new State Medicaid work incentive option called State Work Options Program (SWOP). States would have the option to establish a co-payment for each service for participants who have incomes 150% above poverty. States would be required to give priority to those 16-25 years of age.

2. **Individuals who are receiving SSDI cash benefits, but have not completed the initial waiting period of 24-months for Medicare benefits.** Following determination of eligibility under SSDI, newly determined beneficiaries would be offered eligibility to the OPTIONS program when they have identified an employment opportunity. If a new beneficiary chooses to participate, the State provides PAS and prescription drugs under SWOP if the new beneficiary meets the State eligibility criteria. A State may require participants to pay a copayment if their earned income is above 150 percent of poverty.

   If the participant terminates employment for any reason during the waiting period for Medicare, they would resume their former status in the waiting period, with credit given for time worked toward the 24 month waiting period requirement for Medicare coverage.

3. **SSDI beneficiaries who are receiving cash benefits and are covered by Medicare.** For those persons receiving SSDI cash benefits for more than 24 months, who enter the OPTIONS program, cash benefits would cease, but the individual would be eligible for:

- Medicare Part A for free up to 250% of poverty (earned net income). Beyond this, Part A premiums will be based on a sliding-scale of 10 percent of amounts in excess of 250% of poverty (earned net income).

- Medicare Part B for the regular premium amounts paid.

- Any available State Medicaid buy-in (as established by the WIIA under SWOP or under current State waiver authority).

- An ability to deduct from the level of earned income (gross), the costs of "those items necessary for traveling to and from work", "durable Medical Equipment (DME)", and costs associated with the purchase of an automobile in an area where the Commissioner of Social Security determines that public transportation is not readily available.

** Provisions regarding the $500 SGA suspension of cash benefits following 13 months of work still apply in order to maintain cash benefits.

4. **Working persons with disabilities**

- By joining the OPTIONS program, working persons with disabilities who are determined by the State to need PAS and /or prescription drugs in order to work, and meet the State's definition of work, would be able to purchase these services under the State's Medicaid Work Option Program (SWOP), if available.

- SSI beneficiaries who are participating in 1619 A and B will be able to purchase PAS under the SWOP, **without having to enroll in the OPTIONS program**, if these benefits are not currently available under the Medicaid State plan.

*** **It is required throughout the bill that all OPTIONS participants must enroll in employee-sponsored health insurance in order to be eligible for this program.**

Medical Insurance Coverage under the OPTIONS Program

Medicare Buy-In. For Medicare Part A, if an OPTIONS participant's adjusted net income reaches 250% of *poverty*, s/he would pay a portion of the Part A premium, based on 10% of the monthly net earned income above 250% of poverty. Premium amounts would be capped at the premium rate for 65+ Medicare beneficiaries. This Medicare Part A buy-in program would be available as long as the individual remained working above SGA. For Part B the recipient would continue to pay the same level of premiums as required under the law.

Amounts would be paid monthly and reconciled at the end of the year by the beneficiary based on 10 percent of net earned income above 250% of poverty. Refunds or obligations to the beneficiary would be calculated and distributed by the IRS. All beneficiaries would have to enroll in employer-sponsored health insurance in order to be eligible for the OPTIONS program.

Medicare Coverage Continuation/Termination. All OPTIONS participants with earned income under 250 percent of poverty would receive free Medicare Part A, and Part B for the regular premium amounts paid. Coverage would begin no later than one month following the signing of an OPTIONS form.

If the beneficiary fails to pay premiums for Medicare coverage following a 90 day grace period, and for 180 days where the Secretary determines that there was good cause for failure to pay, Medicare coverage will be terminated on the first day of the month following the periods above.

Private Plans First, Medicare and Medicaid as Payor of Last Resort. OPTIONS participants would be required to utilize employer-sponsored health insurance plans (when available). Medicare and Medicaid would always be considered the payers of last resort.

Note: In the event that there are exclusionary periods in the employer-sponsored health plan, the obligation to subsidize Medicare premiums would remain a responsibility of the employer during that exclusionary period.

Prohibitions

- **Work activities *will not trigger a Continuing Disability Review.***
- **Work activities cannot be used as evidence that a disability has ceased.**
- **Termination of work activities does not presume an inability to work.**

State Work Options Program (SWOP)

OPTIONS participants, SSI/SSDI non-working persons who are "preparing to work," and 1619 A and B participants, who are in need of additional services drugs would be able to buy-in to a SWOP under Medicaid. If States choose to set up a SWOP, at a minimum PAS and pharmaceutical benefits would be required. Any cost-sharing above 150% of poverty would be in accordance with State policy.

If an OPTIONS participant leaves employment for any reason, coverage would continue under the SWOP consistent with State policies and procedures.

Waivers

Requirement for Response by HCFA to State Waiver Proposals. HCFA would be required to respond to State 1115 waiver requests for programs that encourage a return to work by persons with disabilities no later than 90 days from the date of receipt by HCFA.

Broadening HCFA Criteria for Approval of Section 1115 Waivers.

Language Reads:

"In determining budget neutrality under the provisions of Medicaid Section 1115 waivers which are for the purpose of reducing work disincentives for persons with disabilities, the Secretary [of HHS] shall take into account reductions in payments made to persons with disabilities under Title II and Title XVI of the Social Security Act and other reductions in federal expenditures made to, or on behalf of, such individuals when such reduced expenditures are a result of earnings by such persons with disabilities."

Such language would better reflect the cost-savings involved when Section 1115 waivers meet the medical needs of persons with disabilities.

Expansion of Deductible Items Under the Impairment Related Work Expenses

For those OPTIONS participants who are still receiving cash benefits, Impairment Related Work Expenses (IRWEs) would be expanded to include items connected with "preparation for, and traveling to and from work, orientation and mobility services, and Durable Medical Equipment."

The expansion of items (automobiles, wheelchair motors, etc.) falling under the deduction would provide an incentive for long term beneficiaries to return to work. These individuals would be more likely to remain below the SGA level and continue to receive cash payments until their income level rises such and cash assistance becomes unnecessary.

Work Incentive Counseling and Assistance Program

The bill directs the Commissioner of Social Security to establish a Work Incentive Counseling and Assistance Program at the community level, to assist in the outreach for and coordination of the OPTIONS program.

SSA will educate and provide ongoing personnel development to new and existing work counselors in the community, including public and private providers and counselors in vocational rehabilitation, independent living centers, social services centers, and the Social Security field offices. Identified counselors will advise the individual in choosing whether to participate in the OPTIONS program as well as assisting in the coordination and interaction of the new work incentives, the disabled consumer, available V.R. and job training services and Social Security to facilitate the individual's eventual return to work.

Demonstration Program: Sliding Scale Cash Benefit Offset for SSDI Beneficiaries***

The Commissioner of SSA may conduct demonstrations to determine the most effective methodology for implementing an earned income offset for SSDI benefits that result in a gradual decrease in cash assistance as earnings increase that are: national in scope; conducted on a State, regional, or national level; conducted by public agencies or private, not-for-profit organizations; using calculations made on other than a monthly basis; using calculations in increments larger than $1 loss in benefits for each $2 in earned income, e.g., $50 reduction in cash assistance for $100 in earnings; using electronic funds transfer and other information technology to streamline the administration of such offset; and offering beneficiaries information and advice regarding such sliding scale offset through personal computer software.

The all-or-nothing design of the SSDI program prevents most beneficiaries from attempting to go to work. Unlike the SSI program, where recipients who attempt work and lose only $1 in cash assistance for every $2 in earned income and can continue receiving Medicaid acute medical care, personal assistance, and prescription medication coverage (up to State limits), SSDI beneficiaries lose all cash assistance after earnings reach $500 per month (assuming in this example that the Trial Work Period has expired). Further exasperating the situation, SSDI beneficiaries receive free Medicare (which, because it does not cover personal assistance and prescription medications is a lesser benefit than Medicaid) for only 36 months. After then, they pay the full Part A premium, currently $330 monthly, to continue coverage.

The result is that the vast majority of SSDI beneficiaries find that working to their maximum capacity under the current SSDI work incentives rules is so costly they financially cannot afford to work. They are financially and medically rewarded for remaining on benefits and punished for attempting work. A difficulty remains in administering the existing sliding scale benefit offset in the SSI program. The demonstrations conducted under this authority shall determine the most effective way of implementing sliding scale benefit offsets using variations in the amount of the offset as a proportion of earned income; the duration of the offset period; and the method of determining the amount of income earned by beneficiaries. Demonstrations shall use state-of-the-art information technology and electronic funds transfer technology to streamline the reporting of data and the implementation of the offsets. In addition, personal computer software shall be developed and made available to beneficiaries, their families, guardians, and advocates, to inform beneficiaries of these new work incentives and to assist beneficiaries in making informed decisions regarding work.

*** **This will permanently authorize Social Security Demonstration Project Authority for the States.**

Evaluation of the OPTIONS Program

Report and Recommendations to Congress. Not later than 12 months after the date of enactment of the act, the Commissioner of Social Security and the Secretary of HHS shall jointly evaluate and report to Congress on the incentive program and the demonstration projects. Included in this evaluation would be recommendations to Congress for administrative and/or legislative changes to better enable individuals with disabilities to enter or reenter the workforce.

Maintenance of Data/Mandate to Report to Congress the Success of "Option" Incentives.

No later than three months (establishment), again at five months (progress report) and seven months (recommendations as to permanently authorizing the program), Social Security, National Council on Disability in consultation with the Secretary of Health and Human Services and stakeholders would report to Congress data determining the success of the "OPTIONS" work incentives.

Effective Date/Implementation

Social Security is required to begin to offer these incentives no more than twelve months from the date of enactment into law.

Sunset

This legislation is a ten-year entitlement program and will sunset in ten years if it is not permanently authorized.

Disabilities - Kennedy/Jeffords bill

CC Elena Kagan
Chris Jennings
Jeanne Lambrew
Bill White, OPL
Josh Gotbaum, OMB
Mark Miller, OMB
Nikki Highsmith, OMB
From Diana Fortuna

FOR IMMEDIATE RELEASE:
MONDAY, MARCH 23, 1998

CONTACT: ERIK SMULSON
202-224-5141

MEDIA ADVISORY

JEFFORDS-KENNEDY-DOLE PRESS CONFERENCE ON DISABILITY BILL WEDNESDAY

Washington, D.C. -- U.S. Senators James Jeffords, R - Vt., and Edward Kennedy, D - Mass., will hold a press conference to announce the introduction of the "Work Incentives Improvement Act," legislation that will give 7.5 million Americans with disabilities the option of working without losing health and other benefits provided by the government. The press conference will be held on Wednesday, March 25, at 2:45 p.m. in room 207 of the Capitol, the Mansfield room.

Also attending the press conference will be former U.S. Senate Majority Leader Robert Dole; disability advocate Justin Dart; consumer Stacy Berloff; and entertainer Nancy Becker Kennedy.

The structural problems of the current Social Security disability work incentive programs continue to undermine the goal of individual independence and self-sufficiency in this Country. Less than ½ of 1% of SSI and SSDI beneficiaries leave the Social Security rolls to become self-sufficient. If they try to go to work, they are penalized by the elimination of cash assistance and an inability to access appropriate health care.

WHO:	SENATORS JEFFORDS, KENNEDY AND HARKIN; FORMER SENATE MAJORITY LEADER DOLE; DISABILITY ADVOCATE JUSTIN DART; CONSUMER STACY BERLOFF; AND, ENTERTAINER NANCY BECKER-KENNEDY;
WHAT:	PRESS CONFERENCE TO ANNOUNCE THE INTRODUCTION THE WORK INCENTIVES IMPROVEMENT ACT;
WHEN:	2:45 P.M.; WEDNESDAY, MARCH 25, 1998
WHERE:	ROOM 207 IN THE CAPITOL, THE MANSFIELD ROOM

- 30 -

Disabilities -
Kennedy/Jeffords bill

Diana Fortuna 03/23/98 04:46:56 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Joshua Silverman/WHO/EOP
Subject: Possible NYTimes story

The Department of Labor has heard that Robert Pear is poking around the issue of employment of people with disabilities. They sent him our recent executive order on the subject. The only intelligence we have on his angle is that it may have been precipitated by Sen. Kennedy's office. He is preparing to introduce a still-evolving bill with Jeffords to offer continued Medicare/Medicaid to people leaving the SSI/SSDI rolls for work. We are trying to work out our position on it; it will cost money.

Message Sent To:

Christopher C. Jennings/OPD/EOP
Jeanne Lambrew/OPD/EOP
Sarah A. Bianchi/OPD/EOP
Elena Kagan/OPD/EOP
William H. White Jr./WHO/EOP
Joshua Gotbaum/OMB/EOP