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## MEMO

TO: EDI  
FROM: RAY CEBULA  
RE: NEW TICKET TO WORK REGULATIONS  
DATE: 05/20/08

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The Commissioner of the Social Security Administration issued final regulations concerning the Ticket to Work program on May 20, 2008. These long awaited regulations will be effective on July 21, 2008, and will have significant impact on the existing Ticket to Work program. New timely progress rules will effect a ticket holders “use” requirements, while new payment rules will improve availability and activity levels of ENs across the country.

What follows is a brief summary of a very large set of regulations. This summary is provided for informational purposes only and readers are referred to [www.socialsecurity.gov](http://www.socialsecurity.gov) or to the Federal Register for a full copy of the issuance.

### INTRODUCTION

SSA is revising the Ticket to Work rules to improve the overall effectiveness of the Ticket program and to maximize the economic self-sufficiency of beneficiaries through work opportunities. The changes are based upon projections for the future direction of the Ticket program, prior experience with the “old” rules and the public comments received during the promulgation process.

The Ticket to Work program was established to provide beneficiaries with a real choice in obtaining the services and technology that they need to find, enter, and maintain employment by expanding the universe of service providers. The new amendments to existing rules attempt to achieve this goal by expanding the universe of ENs allowed to participate to include One-Stops, allow for VRs and ENs to work jointly, improve payments amounts and regularity to ENs, and expand the activities allowed for a beneficiary to achieve “use” status when participating in the program.

**\*\*The new rules will be applied to all new and existing tickets assigned when the new rules are effective on July 21, 2008.\*\***

## **SUMMARY**

1. Transmittal #17 of the VR Handbook is revised. Upon the effective date of the regulations, no longer will a ticket be automatically assigned to a state VR agency upon the beneficiary's signature on a VR IEP. The VR agency and beneficiary can agree to assign the ticket or the VR agency can provide services to the beneficiary using the "cost reimbursement"<sup>1</sup> payment method.

Should VR provide services to a beneficiary who is ticket eligible but will be paid using cost reimbursement the ticket will NOT be considered assigned. However, the new regulations will consider this ticket to be in "VR cost reimbursement status" and the beneficiary will be considered to be "using" the ticket for purposes of ticket protections from medical CDRs during the "use" period if making "timely progress" toward self-sufficiency.

As a result, upon completion of the VR program and VR case closing the beneficiary will be able to assign the ticket to an EN for follow-up or on-the-job support services. The beneficiary can assign the ticket and continue CDR protections if the ticket is assigned within 90 days<sup>2</sup> of the VR case closing.

This "partnership" between State VR agencies and ENs creates a special payment arrangement when dealing with Phase One payments (discussed below). Phase One milestones are intended to be paid to support the costs incurred to assist a beneficiary prepare for and take the first steps toward working. If a State VR agency has received "cost reimbursement" for these services and the beneficiary is working when the ticket is assigned to an EN for follow-up and on the job supports, Phase One milestones will not be payable to the EN.

2. The EN payment systems have been modified and improved to allow for larger payments, more equal payments for SSI and SSDI participants, and more frequent milestone payments. The changes in the payment systems are intended to create greater financial incentive for EN participation as well as to increase the number of participating and active ENs. The new regulations will increase the total outcome-milestone payments to 90% of the total payments available under the outcome payment method, providing greater equity for service payments and allowing a larger number of under-capitalized and smaller ENs to participate in the program.

A two-phase milestone and outcome payment system has been developed that will parallel the steps that a beneficiary takes toward self-sufficiency.

**PHASE ONE:** Phase One is modeled on the Trial Work Period. Four milestone payments will be allowed as a beneficiary's gross earnings exceed the current TWP levels (\$670 in 2008). The payments will be the same for SSDI and SSI beneficiaries and will be based upon the Title II calculation rates. It is important to note that work at TWP levels within 18 months prior to ticket assignment or if a VR agency receives cost reimbursement for a beneficiary may preclude the availability of Phase One milestone payments.

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<sup>1</sup> "Cost reimbursement" is the pre-Ticket to Work mechanism used by State VR agencies to recoup the cost of services from SSA for eligible VR participants. This payment mechanism was unaffected by the Ticket to Work Act.

<sup>2</sup> Note the change in this time period. The old regulations allowed for a 3 month period for reassignment. The new regulations, in order to make things consistent, adopt a period of 90 days for assignment or reassignment purposes.

PHASE TWO: Phase Two payments track substantial achievements on the path to self-sufficiency. These payments will be triggered by gross earnings equaling or exceeding the substantial gainful activity (SGA) level (\$940 in 2008). Note the change in the new regulations to gross earnings rather than countable earnings. For EN payment purposes and to encourage use of work incentives in the return to work process, SSA will now look to gross incomes (income earned before the application of work incentive deductions). This is a very significant improvement in the EN payment system.

A maximum of 11 milestone payments are available to a Title II beneficiary and 18 to an SSI beneficiary.

FINAL PHASE: The Outcome Payment Period. During this final phase of EN payments the beneficiary must be earning sufficient income to eliminate SSDI or SSI payments. Payments must be eliminated due to earnings. In the event that a beneficiary moves immediately into the final phase, a reconciliation payment will be processed to allow EN payment for the Phase One and Two milestones.

A total of 60 outcome payments will be allowed and the beneficiary must be in non-cash status for each payment. The payment amount has been increased from 40% to 67% of the calculation base.

SSA believes that these financial incentives will allow for greater and broader EN participation by:

1. Increasing the percent of the payment calculation base used to figure the payments.
2. Reducing the difference between outcome and outcome-milestone payments.
3. Equalizing funding for providing services to Title II and Title XVI beneficiaries.
4. Increasing milestone payments.
5. Making payments earlier in the return to work process.
6. Recognizing that trial work level earnings constitute initial efforts at self-sufficiency for many beneficiaries, and
7. Allowing beneficiaries to combine initial services provided by VR with ongoing support services from an EN.

All payment requests made under the current regulations must be made by March 31, 2009. After this, old requests will be closed and ENs will need to use the new system to make payment requests.

3. Those beneficiaries coded **Medical Improvement Expected** will now be issued tickets upon the disability eligibility determination. No longer will this group of beneficiaries be required to wait until after the first medical CDR results in a continued disability finding. This significant improvement will allow an earlier entry in the rehabilitation and job support arena greatly improving the likelihood of successful intervention.

4. **Using** a ticket and “**timely progress**” requirements have been redefined by the new regulations. Use and timely progress is very important to beneficiaries as a ticket must be in use status and timely progress toward self-support must be made in order to maintain the suspension of medical CDRs during the ticket return to work process. SSA has indicated that the new

regulations are an attempt to balance beneficiary participation and the fears of termination upon working with the need from program integrity provided by the CDR process.

Suspension of medical CDRs will occur if the beneficiary meets one of two statuses:

- The ticket is assigned to an EN or a State VR agency, or
- The ticket has “VR cost reimbursement status”.

The chart tracking “timely progress” requirements has been reproduced below.

<b>12-Month Review Period</b>	<b>Work Requirement</b>	<b>High School Diploma or GED</b>	<b>Degree or Certification Program</b>	<b>Technical, Trade, or Vocational Program</b>
1 <sup>st</sup>	3 out of 12 months with trial work level earnings	Obtained high school diploma or GED certificate	Completed 60 percent of the full time course load for 1 year	Completed 60 percent of full time course load for 1 year
2 <sup>nd</sup>	6 out of 12 months with trial work period level earnings		Completed 75 percent of full time course load for 1 year	Completed 75 percent of full time course load for 1 year
3 <sup>rd</sup>	9 out of 12 months with substantial gainful activity level earnings		Completed a 2 year program or for a 4 year program, completed an additional academic year of full time study	Completed the program
4 <sup>th</sup>	9 out of 12 months with SGA level earnings		Completed an additional academic year of full time study	
5 <sup>th</sup>	6 out of 12 months at earnings level precluding the payment of SSDI and SSI cash payments		Completed an additional academic year of full time study or completed 4 year degree program	
6 <sup>th</sup>	Work criteria remains at 5 <sup>th</sup> period review levels for 6 <sup>th</sup> and subsequent period reviews		Completed 4 year degree program	

Beneficiaries retain the ability to place ticket in “inactive status” due to the inability to make progress.

“Unassignment” periods and VR cost reimbursement status periods will not count toward the timely progress guidelines

**The new rules will apply to all tickets assigned before the rules become effective.** Certain transition rules will apply to “pre-assigned” tickets. Progress reviews will be conducted at the end of the first 12 month period after the effective date of the rules. SSA will notify beneficiaries of their new timely progress requirements and when the new rules will apply.

4. Other miscellaneous changes include:

If a ticket is taken out of assignment, SSA will provide notice regarding the change in ticket status to the beneficiary.

One-Stop and Vocational Rehabilitation Services Projects for American Indians with Disabilities agencies can now participate in the ticket program as an EN without having to respond to the EN rfp. The agencies must enter into an agreement with SSA and must comply with all of the EN rules.

ENs must report to the Program Manager (Maximus) each time it accepts a ticket for assignment or no longer wants to provide services to a beneficiary whose ticket was assigned to the EN.

Payment calculations: If the SSI calculation base is used to compute EN payment amounts AND a payment is authorized, the SSI calculation base will be used even if the beneficiary establishes Title II eligibility during the return to work period. If the SSI calculation base is used but the beneficiary establishes Title II eligibility BEFORE an EN payment is authorized, the SSDI calculation base will be used to determine payment amount.

Milestones must be achieved AFTER ticket assignment in order to give rise to an EN payment.

Original paystubs or an oral or written report of wages from the employer or employer’s payroll preparer will be the primary evidence accepted to prove earnings levels. Secondary proof includes unemployment records, signed beneficiary statements and tax returns.

Once again, this summary is intended as an overview of the new regulations. Please refer to [www.socialsecurity.gov](http://www.socialsecurity.gov) or the Federal Register for a complete copy of the new regulations.