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**Congress of the United States**  
**House of Representatives**  
**COMMITTEE ON WAYS AND MEANS**  
WASHINGTON, DC 20515

SUBCOMMITTEE ON SOCIAL SECURITY

July 6, 2004

The Honorable Jo Anne B. Barnhart  
Commissioner of Social Security  
500 E Street, SW  
Washington, D.C. 20254

Dear Commissioner Barnhart:

As primary author of the Ticket to Work program, this Subcommittee has conducted extensive oversight of the Social Security Administration's (SSA's) management of the Ticket to Work program. As a result, we are becoming increasingly concerned that needed regulatory improvements to the program are not moving fast enough.

In order for the Ticket to Work program to be a success, an active and diverse market of employment networks must exist to serve ticket recipients. Unless this market materializes, individuals with disabilities will not have an adequate choice of providers to help them return to work, and participation in the Ticket to Work program will likely decrease. According to recent data, only 439 employment networks out of more than 1,200 employment networks eligible to participate in the program have accepted tickets.

In numerous hearings, expert witnesses have repeatedly emphasized that the agency must change the service provider payment system in order to encourage employment networks to enroll in the program and accept tickets. Title I of the *Ticket to Work and Work Incentives Improvement Act* (P.L. 106-170) gives the Commissioner broad authority to review and revise payment systems for employment networks. Specifically, the Commissioner may alter the percentage, milestones, or payment periods to ensure that employment networks have adequate incentives to assist beneficiaries in entering the workforce. We encourage you to use this authority and act expeditiously to enhance the payments to employment networks so that more organizations will be willing to help individuals with disabilities return to work. We also urge you to consider whether the payment system should be adjusted to better serve SSI recipients who reduce their SSI dependency, but who do not fully exit the rolls.

In addition to concerns about the structure of the payment systems, current regulations appear to restrict the ability of individuals with disabilities participating in the Ticket to Work program to receive benefits from other Federal programs. The Ticket to Work program was intended to supplement, not supplant, existing services. In particular, current regulations prevent a ticket holder from utilizing the services of both a State vocational rehabilitation agency (paid under the cost reimbursement payment system) and an employment network (paid under its elected payment system). While the SSA must protect the trust funds by ensuring that services are not duplicative, beneficiaries should be able to receive assistance from both types of organizations if it helps them achieve their work goals as outlined in an individual work plan.

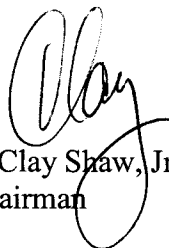
In its recent annual report, the bipartisan Ticket to Work and Work Incentives Advisory Panel highlighted its concerns about these same issues. In the executive summary, the panel warned: "Inaction will deter the future use of these programs and threaten the very existence and success of the Ticket Program." We must all take heed of this important warning and act quickly to ensure the success of this vitally important program for individuals with disabilities.

Also, witnesses and Members at the Subcommittee's March 18<sup>th</sup> hearing raised a number of other concerns that the SSA could resolve administratively. These concerns include the urgent need for nationwide marketing of the Ticket to Work program, overpayment prevention, and easing the administrative burdens placed on employment networks participating in the program. We strongly urge that these and other regulatory changes designed to improve the Ticket to Work program be made as soon as possible.

These concerns about the implementation of the ticket program are not new. The Subcommittee would appreciate knowing of your timetable for resolving these issues within two weeks of receiving this letter. We would also like to know of any concerns you have regarding the resolution of these problems, as well as any obstacles standing in the way of prompt action.

As always, the Subcommittee remains committed to assisting you in any way we can.

Sincerely,

  
E. Clay Shaw, Jr.  
Chairman

  
Robert T. Matsui  
Ranking Member