

**Delivering on the Promise:**

**U.S. Social Security  
Administration**

**Self-Evaluation  
to Promote  
Community Living for People  
with Disabilities**

**Report to the President  
On Executive Order 13217**

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# Social Security Administration

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The Social Security Administration (SSA) operates two major cash benefit programs for people with disabilities. The Social Security Disability Insurance (DI) program is a social insurance program with benefits based on prior earnings. The Supplemental Security Income (SSI) program is a means-tested income-assistance program. Some 10 million people with severe disabilities receive \$6-1/2 billion a month in DI or SSI benefits. DI beneficiaries also become eligible for Medicare after a two-year waiting period, and most SSI beneficiaries are eligible for Medicaid.

These cash and medical benefits may be critical to an individual's ability to live in the least restrictive and most integrated appropriate setting. The cash benefits, often in conjunction with food stamps and housing subsidies, can provide for basic needs, such as food, clothing, and shelter. The medical benefits can enable an individual to obtain treatment that may be critical to his or her ability to function in a community setting.

Work can also contribute significantly to an individual's ability to thrive in a community setting. One of SSA's highest priorities is to encourage and assist its beneficiaries with disabilities in their efforts to work despite their impairments. The recent establishment of an Office of Employment Support Programs within SSA has helped the agency make significant strides in this area.

An evaluation of the policies and procedures that make up SSA's cash-benefit and employment-support programs shows them to be thoroughly consistent with the objectives of Executive Order 13217. Some are designed specifically to ease the transition from an institution to a more integrated setting. Others offer an opportunity to raise public awareness of programs and services that can enhance an individual's ability to live successfully in the community.

Although SSA's evaluation of its program policies and procedures found that they promote community living, SSA will ensure that they are used to maximum effect. In particular, staff who serve the public directly, including those in field offices, program service centers, and telephone service centers will receive training that emphasizes the importance of key policies and procedures in promoting the goals of the President's Executive Order.

## **I. Facilitating Community Living by Providing Benefits**

### **SSI Benefits for Those Who Are Temporarily Institutionalized**

Institutionalization, other than incarceration, does not affect the receipt of DI benefits but can affect eligibility for SSI. Sections 1611(e)(1)(A) and (B) of the Social Security Act provide that, with exceptions, anyone who lives in a public institution is ineligible for SSI

and anyone who lives in a facility where Medicaid pays more than half the cost of care is eligible for no more than \$30 a month. Thus, individuals generally can receive full SSI benefits only when they are not in a public or Medicaid-funded institution. About 250,000 SSI beneficiaries live in Medicaid-funded institutions. Another 7,000 individuals have become ineligible for SSI in the past year because of entering a public institution.

The provision barring SSI eligibility for residents of public institutions was always intended to encourage alternatives to institutional living. It was based on longstanding public assistance policy, first specified in the Social Security Act of 1935, which provided for federal matching grants to the states for their means-tested programs. The rationale at that time was to avoid using federal funds to perpetuate county poor farms. The provision had two primary purposes: to ensure that the cost of public-institution programs would not shift to SSI; and to avoid the use of SSI to subsidize institutions that were substandard or in which individuals had been inappropriately placed.

Section 1611(e)(1)(G) provides an exception to these limitations for individuals whose stay in an institution is for medical care (including psychiatric care) and is expected to last no more than three months. For up to three months, such individuals may continue to receive benefits at the rate they received them before entering the institution. These benefits enable them to pay the expenses necessary to maintain their place of residence while they are in the institution.

To ensure that this provision is not overlooked, whenever SSA field staff record that an individual has entered an institution, they must also indicate whether the payment exception for temporary institutionalization applies. The ability of SSA staff to make that determination depends in large part on their ability to develop and maintain good working relationships with local medical institutions and state welfare agencies. SSA will provide additional training on this provision, emphasizing its importance in facilitating reintegration into the community.

### **Special Benefits for Certain Working Beneficiaries Who Enter an Institution**

Section 1619(e)(1)(E) provides an exception to the limitations on benefits for individuals who reside in institutions for certain working beneficiaries. Individuals who qualify can receive SSI based on the full federal benefit rate for up to the first two full months of residence in certain medical or psychiatric institutions. It is not necessary to determine how long that residence is expected to last. This provision applies to individuals who, in the month before entering the institution, retained eligibility for cash benefits by virtue of section 1619(a) despite engaging in substantial gainful activity or remained eligible for Medicaid by virtue of section 1619(b) despite earnings that had eliminated cash benefits.

Since this provision aims to help such beneficiaries maintain their homes during periods of medical confinement, it applies only if the medical facility agrees to allow the individual to keep the benefits. This provision prevents brief periods of medical

confinement from resulting in homelessness. In its training, SSA will emphasize the importance of working closely with the staff of local medical institutions to ensure that this provision is used to maximum effect.

### **Publicly Operated Community Residences**

Section 1611(e)(1)(C) of the Social Security Act specifies that the term “public institution” does not include a publicly operated community residence that serves no more than 16 residents. This provision allows SSI eligibility based on the full federal benefit rate for individuals in small facilities that provide for basic needs in a home-like atmosphere. It thus promotes deinstitutionalization and facilitates the transition of residents to services and programs available in the community.

The application of this provision requires ongoing monitoring in light of the continuing development of innovative approaches to the problems of institutionalization and health care. As new housing arrangements are developed, SSA will provide interpretations of the provision’s requirements and advice on the consequences of all related SSI policies in specific situations.

### **Exclusion of the Home as an SSI Resource During a Temporary Absence**

When an SSI beneficiary leaves his or her home to enter an institution, the home remains an excluded resource as long as the individual intends to return. When the individual does not intend to return, the home remains an excluded resource as long as a spouse or dependent relative continues to live there. This arrangement allows the beneficiary to keep the home in case his or her condition later permits a return to the community. SSA will remind field offices of this rule.

### **SSI Prerelease Procedure**

When an individual who leaves an institution is eligible for SSI, any delay in the receipt of benefits can make it difficult or impossible to meet living expenses outside the institution. SSA prevents such delays by processing an SSI application several months before an individual’s anticipated discharge. The prerelease procedure applies to individuals who reside in an institution where they are ineligible for SSI or are subject to the \$30 payment limit.

The effectiveness of the prerelease procedure depends on the ability of SSA field and regional offices to develop and maintain prerelease agreements with institutions and state agencies. SSA will emphasize to these offices the importance of prerelease agreements, remind them of the requirement to review and renew prerelease agreements annually, and stress the importance of maintaining updated listings of community resources that can help beneficiaries adapt to living in the community.

## **Immediate Payments and Emergency Advance Payments**

SSA field offices can issue a benefit check immediately when a normal payment has been delayed or interrupted and an individual has a financial emergency. Emergency advance payments are one-time only SSI payments that can be made to individuals who have applied for SSI benefits and been found eligible (or presumptively eligible), but whose initial benefit payment has not been made. Immediate payments normally are limited to amounts of less than \$1,000 per beneficiary, can be SSI or Social Security benefits, and can be made in continuing-eligibility as well as initial-eligibility situations.

These payment procedures can provide timely benefits for individuals with financial emergencies who otherwise might be prevented from establishing or maintaining a stable place of residence. SSA recently refined its instructions on the immediate payment procedure and currently is upgrading its instructions on the emergency-advance-payment-procedure.

## **Enhancing the Representative Payee Process**

The effective management of benefits can be key to an individual's ability to maintain safe and stable living arrangements outside of an institution. Many beneficiaries cannot manage their own benefits and need someone to do it for them. For a beneficiary who resides in an institution, the lack of a suitable representative payee to receive and manage his or her benefits outside the institution can be an obstacle to leaving the institution.

When selecting a representative payee, SSA gives preference to family and friends. This procedure helps to ensure that the individual's best interests are served. However, not all beneficiaries have a supportive network of family and friends from whom to select a representative payee. When this is the case, SSA must locate suitable organizations that are able to provide this service.

Currently, SSA is designing an organizational payee recruitment campaign to increase the number of payees available to manage benefits for individuals with disabilities. In addition to recruiting representative payees, SSA carefully monitors the performance of the representative payees it selects. Reviews are conducted periodically to ensure that benefits are being used to meet the immediate needs of the beneficiary or that they are being conserved in a responsible manner.

## **Waiver of Parental Deeming Rules**

In general, determinations of SSI eligibility and payment amount for children who live with their parent(s) take into account parental income and resources. This process, called "deeming," can result in ineligibility for SSI and Medicaid. However, section

1614(f)(2)(B) provides that, under certain conditions, deeming does not apply to children with disabilities who live at home and qualify for Medicaid under a state home care plan.

Home care plans provide Medicaid coverage for individuals with a disability who have been (or could be) institutionalized, but who can be cared for at home without a decrease in the quality of care or an increase in cost. Deeming does not apply if it would make the child ineligible for SSI and the child received SSI benefits subject to the \$30 limit for one or more months while in a medical facility. When parental deeming is waived under this provision, the federal SSI payment is limited to \$30, which some states may supplement.

The waiver of parental deeming promotes deinstitutionalization by protecting a child's Medicaid coverage at home and ensuring that the SSI payment is at least equal to the amount the child would receive if he or she were institutionalized. SSA will keep abreast of any expansion or other changes in the use of home care plans to identify situations where the waiver of deeming could apply. SSA will also upgrade its operating instructions to ensure that field offices apply this provision in all appropriate situations.

### **Exclusion for Individual Development Accounts**

Several of the public comments suggested that SSI beneficiaries be allowed to have individual development accounts, or IDAs, with no effect on their benefits. An IDA is a bank account used to save for education, the purchase of a first home, or to start a business. An individual can deposit money to an IDA from his or her own earnings. These deposits are matched at various rates with money from the state's program of Temporary Assistance for Needy Families (TANF) or from a demonstration project.

In fact, IDAs generally increase SSI benefits. When SSA determines SSI eligibility and payment amount, it does not count funds in a TANF or demonstration-project IDA as resources and does not count matching contributions as income. In addition, SSA reduces countable income by the amount of any earnings that an individual deposits to a TANF or demonstration-project IDA.

### **Evaluating Individuals with Mental Disorders**

Some individuals with mental disorders cannot tolerate the stress and complexity of substantial employment but can live satisfactorily in the community, either on their own or with support. SSA's policies have long provided that such individuals may qualify for disability benefits even though they are otherwise able to live independently. SSA will train state disability determination services, administrative law judges, quality reviewers, and other adjudicators on the Executive Order, stressing disability evaluation policies that are of particular relevance to individuals who do not reside in institutions.

## **II. Facilitating Community Living by Supporting Work**

Advances in medicine and assistive technology are making it possible for people with disabilities to do more and to be more independent. At the same time, technology is creating new kinds of work and new pathways to it, such as through telecommuting and home-based businesses. Increasingly, self-sufficiency through real pay for real work is a realistic goal for many DI and SSI disability beneficiaries, despite their impairments.

One of SSA's highest priorities is to assist disability beneficiaries in their efforts to take advantage of these opportunities. The Social Security Act has long contained a variety of work incentives that encourage and reward work by DI and SSI beneficiaries. The Ticket to Work and Work Incentives Improvement Act of 1999 improved a number of these incentives and added significant new ones.

### **Employment Support Programs**

To bring a unified focus to these provisions and to enhance service to people with disabilities who want to work, SSA recently established a new component: the Office of Employment Support Programs (OESP). The mission of OESP is to promote the employment of beneficiaries with disabilities by designing policies that make work pay, promoting research and program innovation, educating the public about programs and services that facilitate entry into the work force, and partnering with other public and private groups to remove employment barriers for people with disabilities.

### **The Ticket to Work and Self-Sufficiency Program**

The cornerstone of SSA's current employment support efforts is the Ticket to Work and Self-sufficiency Program. Implementation of the Ticket Program is a key commitment of the President's New Freedom Initiative. Under this program, beneficiaries will receive a voucher, or ticket, that they can take to an approved service provider of their choice. The provider, called an Employment Network, can be a private organization or public agency that agrees to provide vocational rehabilitation, employment, and other support services to help beneficiaries get and keep a job. Extensive public input has been and will remain an integral part of SSA's implementation strategy for the Ticket Program.

### **Other Provisions of the Ticket to Work and Work Incentives Improvement Act**

The Ticket to Work and Work Incentives Improvement Act contains other provisions to help people with disabilities take advantage of employment opportunities. For example:

- A former DI or SSI disability beneficiary can request reinstatement of his or her benefits if the benefits were terminated within the past 60 months because the beneficiary went to work. Benefits can be reinstated when the beneficiary is no longer able to engage in substantial work because of his or her disability.

- For most beneficiaries, Medicare coverage will continue for at least 93 months from the end of the trial work period—4 ½ years longer than the previous coverage. (The trial work period allows a title II beneficiary to work a total of 9 months, not necessarily consecutive, within a 60 month period before a review is done to determine whether the work activity should cease his or her benefits.) In addition, states may provide more liberal Medicaid coverage to more people who are still working.
- SSA will not conduct a continuing disability review (CDR) of a DI or SSI beneficiary's medical condition while the beneficiary is using a Ticket to Work. Beginning January 1, 2002, SSA will not conduct a CDR of a beneficiary's medical condition solely because of work activity if the beneficiary has received DI benefits for at least 24 months. Such individuals will remain subject to regularly scheduled CDRs not triggered by work.
- Through cooperative agreements with 117 public and private organizations in each state, US Territory and the District of Columbia, SSA has established a program of benefits planning and assistance for beneficiaries who are working and those who want to work.
- SSA has also awarded grants to the Protection and Advocacy systems in each of the states to provide information, advice, advocacy, and other services to beneficiaries with disabilities.
- Social Security Administration is developing research and demonstration projects on issues that may affect the employment of persons with disabilities, such as alternative benefit offset provisions for SSDI beneficiaries who work, projects that test methods for earlier intervention and innovative employer practices.

### **Plans for Achieving Self-support**

A plan for achieving self-support (PASS) is a blueprint for achieving an individual's occupational goal of choice. It specifies a job the individual wants or business the individual wants to start, identifies the expenses the individual considers necessary for getting the job or starting the business, and commits existing income and/or assets to these expenses.

If SSA approves a PASS, it excludes the income and assets committed to the plan's expenses when it determines eligibility for SSI. This permits eligibility for SSI or a higher SSI payment, which can help with the expenses in several ways. SSI benefits replace part or all of the committed funds, enabling the individual to pay or save for the expenses. In addition, eligibility for SSI generally means eligibility for Medicaid, and income excluded under a PASS is excluded under the Food Stamps program and certain housing assistance programs, as well.



The PASS program permits the exclusion of—and thus, the full or partial replacement of—income and assets used to pay for such things as:

- education and training;
- transportation (including the purchase of a vehicle);
- assistive technology;
- child care;
- attendant care;
- business inventory, equipment, and supplies; and
- business operating costs, for up to the first year after start-up.

The PASS program thus can help to overcome a number of commonly acknowledged major barriers to employment, such as insufficient access to or the unavailability of transportation, assistive technology, child care, and attendant care.

Finally, if earnings later replace SSI benefits, the individual can retain Medicaid coverage under section 1619(b) until it is no longer financially needed. As a number of the public comments pointed out, it often is the fear of a lack of adequate medical coverage that prevents beneficiaries from risking work.

### **Other Important Employment Support Policies**

The DI and SSI programs contain many additional provisions that are designed to promote work. Two are particularly worth mentioning here.

Impairment-related work expenses (IRWE) are expenses that a beneficiary must incur, because of an impairment, in order to work. They can include the cost of attendant-care services, special transportation, medical devices, and prosthetics, if they meet certain criteria. SSA deducts IRWE when it determines whether the earnings of an individual who is disabled but not blind represent substantial gainful activity in the DI program. It also deducts them when it determines eligibility and payment amount for SSI.

When SSA determines SSI eligibility and payment amount for students who are under age 22 and not the head of a household, it excludes up to \$1,290 a month in earnings, subject to a yearly maximum of \$5,200. This policy encourages and rewards young SSI beneficiaries who attend school and work.