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DOLE INTRODUCES EMPLOYMENT OPPORTUNITIES FOR DISABLED ACT

WASHINGTON -- SENATE MAJORITY LEADER BOB DOLE (R-KAN.) TODAY INTRODUCED LEGISLATION MAKING PERMANENT A PROGRAM THAT PROVIDES SPECIAL SUPPLEMENTAL SECURITY INCOME BENEFITS AND MEDICAID TO THE WORKING DISABLED.

"The federal government should be doing everything it can to encourage disabled Americans to lead productive lives," Dole said. "This program makes good sense economically and socially."

Included in the Social Security Disability Amendments signed into law in 1980, was a three-year demonstration program that allowed disabled SSI recipients to continue receiving SSI cash payments and Medicaid coverage. This so-called section 1619 program was extended, again on a demonstration basis, in 1984. The Dole bill would make the program permanent.

"There is a growing recognition that the 1619 program could save money, not to mention the human dignity provided by being a contributing member of society," Dole said.

A recent Congressional Budget Office preliminary estimate shows zero budget impact from making the 1619 program permanent. And the Social Security Administration (SSA) estimates the financial advantages of allowing an SSI recipient to work are substantial. According to SSA, a typical SSI recipient at the age of 35 year old would receive at least \$200,000 in SSI income payments and health care benefits if not working by the time he reaches 65.

Attached is a fact sheet on the Employment Opportunities for Disabled Americans Act.

Employment Opportunities for Disabled Americans Act

PURPOSE

The purpose of the "Employment Opportunities for Disabled Americans Act" is to: remove disincentives currently contained in the SSI program for severely disabled individuals and improve the preparedness of these individuals to work once the disincentives are removed.

EFFECTS OF THE DISINCENTIVES

These disincentives manifest themselves as risks that disabled individuals must take if they work. The risks occur because of gaps in the system where because of circumstances the individuals may find that he is unemployed or under-employed but ineligible for benefits he previously received from the program.

Forced to choose between being unemployed and assured of benefits and health care coverage, and being employed but at risk of losing all coverage if their employment status changes, a significant number of handicapped persons are forced to remain unemployed.

COSTS/SAVINGS

Cost

A very small number, almost negligible, of disabled persons who receive SSI leave the program to go to work. Permanently authorizing Section 1619 will extend benefits to these individuals who would have otherwise left the program. Continuing SSI payments to the small number of Section 1619 eligibles who might have to be institutionalized for no more than 60 days is also estimated to be a negligible cost. Because Section 1619 allows a disabled person to earn over \$300 a month and, in most states, continue to have access to Medicaid until earned income exceeds a State specified threshold, there could be considered to be an increased Medicaid burden.

Savings

The savings associated with this Act accrue from the reduced cash benefits that will result from disabled persons working. In FY84 the Federal government paid \$5.9 billion in cash benefits to disabled individuals. If only 10% of these individuals obtained gainful employment, then a potential savings of \$590 million would occur (assuming that all earned over the cash benefits eligibility standard).

Essentially the savings associated with the program are based on the assumption that greater numbers of disabled persons would work were the disincentives removed.

Employment Opportunities for Disabled Americans Act

Provisions of the Bill:

REMOVING DISINCENTIVES

1. Permanently authorizes Section 1619(a) and (b) of the Social Security Act.
2. Individuals who are deemed eligible for SSI because of their disability will be automatically reinstated without delay if their income or medical coverage fluctuates
3. SSI will continue payments to 1619 eligibles who are institutionalized for up to 60 days within a 24 month period
4. Provides for the continuation of Title XIX benefits to otherwise eligible children who become entitled to child's insurance benefits under section 202(d)

SPECIFICATIONS AND STUDIES

1. Requires the Social Security Administration to designate a 1619 specialist in each office where feasible
2. Requires SSA to notify a disabled individual about Section 1619 when the individual first becomes an SSI recipient, and again when the person's earned income exceeds \$200/month
3. Requires GAO to conduct a study of the operation of Section 1619 to evaluate the programs's effectiveness
4. Extends the Social Security Administration's authority to waive a variety of statutory requirements to test the impact on rehabilitation and employment of SSI and SSDI recipients.