

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

SMD # 10-002

January 28, 2010

**Re: Ticket to Work**

Dear State Medicaid Director:

As you recall, on June 22, 2009, the Department of Health and Human Services commemorated the 10<sup>th</sup> anniversary of the *Olmstead v. L.C.* decision with the announcement that 2009 would be the “Year of Community Living.” To begin this “Year of Community Living,” HHS agencies were tasked with aggressively addressing barriers that prevent some Americans with disabilities from enjoying a meaningful life as part of their community.

As part of the Community Living Initiative, this letter provides clarification regarding the receipt of Federal funds under the Social Security Administration’s (SSA) Ticket to Work and Self-Sufficiency program (Ticket to Work program) and encourages the utilization of the flexible funding the program offers. Utilizing and coordinating such available resources is critical to support States’ continued progress in constructing a comprehensive health and employment services system for individuals with disabilities who want to achieve and maintain their employment goals. This guidance provides policy clarifications regarding State Medicaid providers’ acceptance and the treatment of SSA ticket payments.

**Background**

As required by the Ticket to Work and Work Incentives Improvement Act, Pub. L. 106-170, and SSA’s Ticket to Work regulations, SSA issues “tickets” to eligible beneficiaries who, in turn, may assign those tickets to an Employment Network (EN) of their choice to obtain employment services, vocational rehabilitation services, or other support services necessary to maximize their economic self-sufficiency through work opportunities.

As described in the Ticket to Work regulations at 20 CFR Part 411, Subpart E, an EN shall be either an agency or instrumentality of a State (or political subdivision of the State), or a private entity that assumes responsibility for the coordination and delivery of employment, vocational rehabilitation, or other support services to those beneficiaries who have assigned their tickets to the EN. SSA pays ENs for assisting beneficiaries in achieving certain work milestones and outcomes, not for services.

At issue for States participating in the Ticket to Work program as ENs is whether or not the acceptance of Medicaid service dollars and the subsequent receipt of ticket payments constitutes an overpayment of Federal dollars for services provided. Also at issue is how the ticket payments can be used.

### **Policy Clarification**

As a basic principle of the Medicaid program, States receive Federal financial participation (FFP) for services authorized in their State plan provided to eligible individuals. A number of State agencies and providers that use Medicaid funding for payment of services, including services provided under section 1915(c) waivers, remain concerned that the acceptance of ticket payments subsequent to their provision of and payment for Medicaid services, might be in conflict with regulatory requirements surrounding conditions under which FFP is available.

Ticket Outcome and Milestone payments do not conflict with regulatory requirements and do not constitute an overpayment of Federal dollars for services provided since EN payments are payment for an outcome, rather than for a Medicaid service rendered. Furthermore, State agencies and/or providers interested in participating in the Ticket to Work program as ENs are encouraged to do so. However, it is important for State agencies acting as ENs to keep ticket payment funding separate from resources used by the State to comprise the State's Medicaid share, in accordance with applicable Federal regulations at 42 CFR 433.51.

To encourage and ensure proper use of Federal dollars to support a State's effort to effectively increase competitive and meaningful employment outcomes of individuals with disabilities, an additional clarification is provided regarding the prohibition of using Ticket Outcome and Milestone payments as the State share of financial participation. While there is no conflict when a State Agency or provider receives payment from Medicaid for appropriate services, and then later receives Ticket Outcome or Milestone payments based on employment outcomes, the use of Ticket Outcome or Milestone payments to comprise the State share for Medicaid or other services remains prohibited, as described in 42 CFR 433.51(c).

If you have questions regarding this letter, please contact Ms. Melissa Hulbert at 410-786-6568 or [melissa.hulbert@cms.hhs.gov](mailto:melissa.hulbert@cms.hhs.gov). For additional information on SSA's Ticket to Work program, please reference the "SSA Work Site" at <http://www.ssa.gov/work/>.

Sincerely,

/s/

Cindy Mann  
Director

cc:

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