



# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

December 14, 2016

Michael Marshall  
Secretary of Senate  
State Capitol Building  
LOCAL

Carmine Boal  
Chief Clerk of the House  
State Capitol Building  
LOCAL

Dear Ms. Boal and Mr. Marshall:

Enclosed please find copies of reports to the General Assembly relative to the "Home and Community-Based Services Waiver Supported Employment and Prevocational Services Report".

This report was prepared pursuant to the directive contained in 2016 Iowa Acts, Chapter 1139.10.27.

Please feel free to contact me if you need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Sally Titus".

Sally Titus  
Deputy Director  
Department of Human Services

ST/tm

Enclosure

cc: Terry E. Branstad, Governor

# Iowa Department of Human Services



## *Home and Community Based Services Waiver Supported Employment and Prevocational Services Report*

December 2016

## ***Home and Community Based Services Waiver Supported Employment and Prevocational Services Report***

### **I. Introduction:**

2016 Iowa Acts, Chapter 1139.10.7 requires a report be submitted regarding the impact of changes in home and community-based services waiver supported employment and prevocational services by December 15, 2016. In response to this requirement the department presents this report.

The Iowa Department of Human Services is committed to ensure all people with disabilities have the opportunity to work in the general workforce, and to enjoy the many benefits that are associated with having employment. DHS recognizes that case managers, care managers, service coordinators and integrated health home coordinators have a critical role to play in enabling more Iowans with disabilities to find and keep employment in the general workforce. However, we also recognize that case managers, care managers, service coordinators and integrated health home care coordinators may not have all of the knowledge, resources and tools they need to ensure each person with a disability they work with can achieve employment in the general workforce, earning at least minimum wage.

### **The National Movement towards Employment First**

This section is excerpted and summarized from Lisa Mills' "2015 Vision Quest Phase One Assessment" report to IVRS.

Over the past 20 years, trends in federal legislation, federal policy guidance, regulatory changes and legal interpretations of states' obligations under the Americans with Disabilities Act (ADA), along with state policy-making have created a new environment with different expectations and rules for the provision of employment and day services for people with disabilities. At the same time, the general public is becoming more aware of the issues as local and national media cover this topic more than in the past. The Supreme Court's 1999 decision in *Olmstead v. L.C. (Lois Curtis)* affirms Title II of the ADA and prohibits unnecessary segregation of people with disabilities. *Olmstead* requires that people with disabilities receive services in the "most integrated setting" appropriate to their needs. The ADA "integration mandate" is administered by the Civil Rights Division of the U.S. Department of Justice (DOJ). Recent *Olmstead* enforcement actions by the U.S. DOJ include July 2011 Statement and Technical Assistance Guide making clear public entities' obligations regarding integration, 2012 Virginia Settlement Agreement, confirming that the priority service option should be individual supported employment in integrated work settings, 2014 Rhode Island Settlement requiring increased opportunities for integration, and the 2015 Oregon Settlement Agreement. A second major force is the Centers for Medicare and Medicaid Services (CMS), which administers Medicaid including home and community-based services (HCBS) through

waivers or State Plan services. Support for integrated employment services from CMS includes the September 2011 Guidance on Employment for Individuals in Medicaid Home and Community Based Waiver Programs, which updated the pre-vocational definition and more clearly illustrated how waiver services could be used to increase community employment opportunities ; and the January 2014 Final Rule on Home and Community Based Services, intended to ensure that individuals receiving HCBS “have full access to the benefits of community living and the opportunity to receive services in the most integrated setting appropriate,” and the CMS 2015 1915(c) HCBS Technical Guide .

Other support comes from the following:

- the U.S. Department of Education’s Individuals with Disabilities Education Act (IDEA) Transition Amendments, whose purpose is “to ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living.” [20 U.S.C. 1400(d)(1)(A)]
- the Rehabilitation Act (the Federal law governing provision of vocational rehabilitation services), which has a “presumption of employability” in integrated settings for all individuals with disabilities, including those with the most significant disabilities, and does not count placements in segregated settings as successful placements since 2001 [34CFR361.5(b)1]
- the Workforce Innovation and Opportunity Act of July, 2014, which requires state agencies to work together to improve community-integrated, competitive wage employment opportunities for youth and adults with disabilities and expands the role of VR agencies with transition-aged youth, limits the number of transition-aged youth entering sheltered workshops and working for sub-minimum wages, and enhances the roles of the Workforce system in meeting the needs of people with disabilities.

## **What is Employment First?**

As stated above, across the nation, Employment First is a declaration of both philosophy and policy stating that: “Employment is the first priority and preferred outcome of publicly funded services for people with disabilities.” Momentum for making Employment First (E1st) a reality in Iowa continues to grow and this helps propel systems changes that can support full access to employment for all Iowans with disabilities.

E1st is also a “framework for systems change that is centered on the premise that all citizens, including individuals with significant disabilities, are capable of full participation in integrated employment and community life.” (US Department of Labor, Office of Disability Employment Policy at:

<http://www.dol.gov/odep/topics/EmploymentFirst.htm>)

Iowa has a grassroots Employment First (E1st) initiative that influences the state's employment service delivery system and involves a broad range of collaborators.

Iowa's E1st Vision is that "Iowans with disabilities are employed at the same rate as other Iowans and receiving equal benefits." The Mission of E1st is to "Change beliefs, practices, and systems and funding so that employment in the general workforce is the first and preferred outcome in the provision of publicly funded services for all working age Iowans with disabilities, regardless of level of disability."

In 2012, 2013, and 2014 Iowa's Governor made a Proclamation each October supporting Iowa's E1st goals.

### **Iowa's Commitment to Employment First**

People with disabilities, including those with the most significant disabilities, can and want to work! Demand is increasing for integrated, community-based and inclusive services, including employment. Demand for competitive integrated employment and other integrated supports are especially high among younger recipients and their families.

In the fall of 2009, Iowa Association of People Supporting Employment (APSE) held a Summit and released a White Paper entitled "Iowa's Employment First Initiative – A Call for Change of Historical Proportion." This Summit and White Paper represented some of the earliest E1st activities in our state. Iowa APSE is the state chapter of the National Association of People Supporting Employment First (APSE) – an organization solely focused on advancing Employment First policies and practices. APSE has many state chapters across the country, including one in Iowa.

In 2012, Iowa's Department of Human Services adopted the following employment outcome vision statement:

"Employment in the general workforce is the first priority and the expected and preferred outcome in the provision of publically funded services for all Iowans with disabilities."

In January 2013, Iowa's Olmstead Consumer Task Force (OCTF) adopted a position statement endorsing Iowa's inter-agency E1st initiatives. The OCTF also established employment as a policy goal and defined employment as "Regular or customized employment in the general workforce, where employees with disabilities are paid by the business (unless self-employed), earning at least minimum or prevailing wages and benefits."

Recently, Iowa's OCTF wrote a "Fact Sheet" for families and policy-makers on this topic.

One of the key highlights ascribed by E1st involves a positive view of every individual's employment potential. Iowa systems no longer ask whether a person can work, but instead asks what employment best matches the person's strengths, skills, interests and conditions for success. The cornerstone of E1st in Iowa has been to change our expectation(s) and realize that everyone can work with the right job match and the right supports. Recent state collaborative projects, including the Iowa Employment First State Leadership Mentoring Program (EFSLMP) and the Iowa Coalition for Integrated Employment (ICIE), have shown that people with disabilities CAN work in community-integrated employment at competitive wage when our systems and service providers focus on this as the goal!

In 2016, these projects (involving 18 service providers) assisted 725 Iowans with significant disabilities to secure community-integrated employment at competitive wages. One hundred and fifty of the jobs were obtained through customized employment strategies. The 725 individuals work an average of 16 hours per week, and earn an average wage of \$8.31 per hour.

## II. Implementing HCBS Employment Service Redesign

Effective May 4, 2016 the Iowa Medicaid Enterprise (IME) implemented administrative rules changes which implemented changes to the provider qualifications, service definitions and reimbursement methodologies for HCBS Prevocational and Supported Employment services under the HCBS Brain Injury Waiver, Intellectual Disability Waiver, Habilitation and The Money Follows the Person (MFP) programs. The changes to the administrative rules are intended to comply with the CMS advisement on employment services, comport with recent national activity regarding the Americans with Disabilities Act (ADA), Olmstead, and further Iowa's Employment Vision as stated above. **Provider Qualifications**

With the changes implemented May 4, 2016 providers now have a consistent set of staff qualification, training and continuing education requirements. Prior to the rule changes providers' qualifications and training expectations varied widely amongst providers. Today providers have a consistent set of criteria which provides the department with the assurances that all providers meet the same set of criteria for the reimbursement received. Highlights of these changes include:

- Direct Care Staff qualifications
- Direct Care Staff training requirements
- Direct Care Staff continuing education requirements

### **Service Amount, Scope and Duration**

The definition and scope of the HCBS Prevocational and Supported Employment services also changed with the implementation of the revised administrative rules. The changes fully adopt CMS's definition for the service and include:

- Revised service definitions for Prevocational, Individual Supported Employment, Small Group Supported Employment and Long Term Job Coaching.

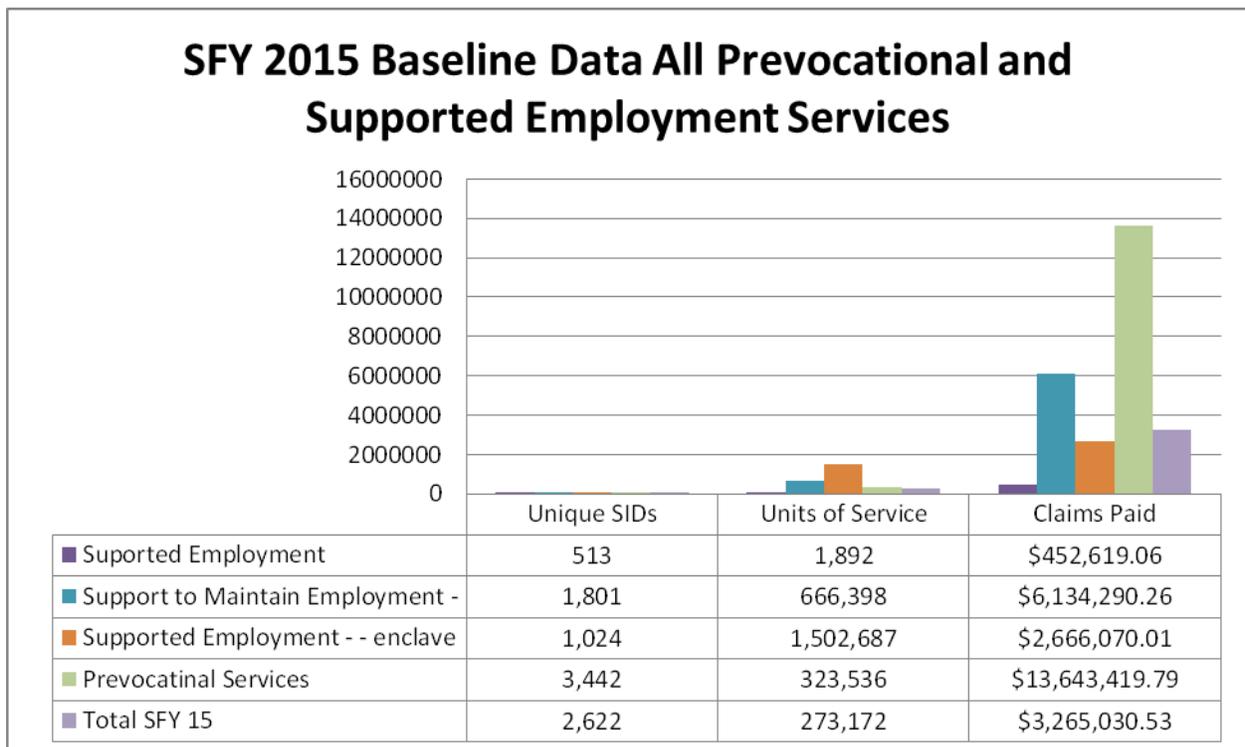
- Setting time limitations for participation in Prevocational services.
- Adding Career Exploration as a separately reimbursable activity under Prevocational services.
- Increases in the array of employment strategies that can be employed included supported self-employment.
- Adding a number of new service definitions for employment and employment strategies
- Defining the intended outcome of each service.

### Reimbursement Methodology

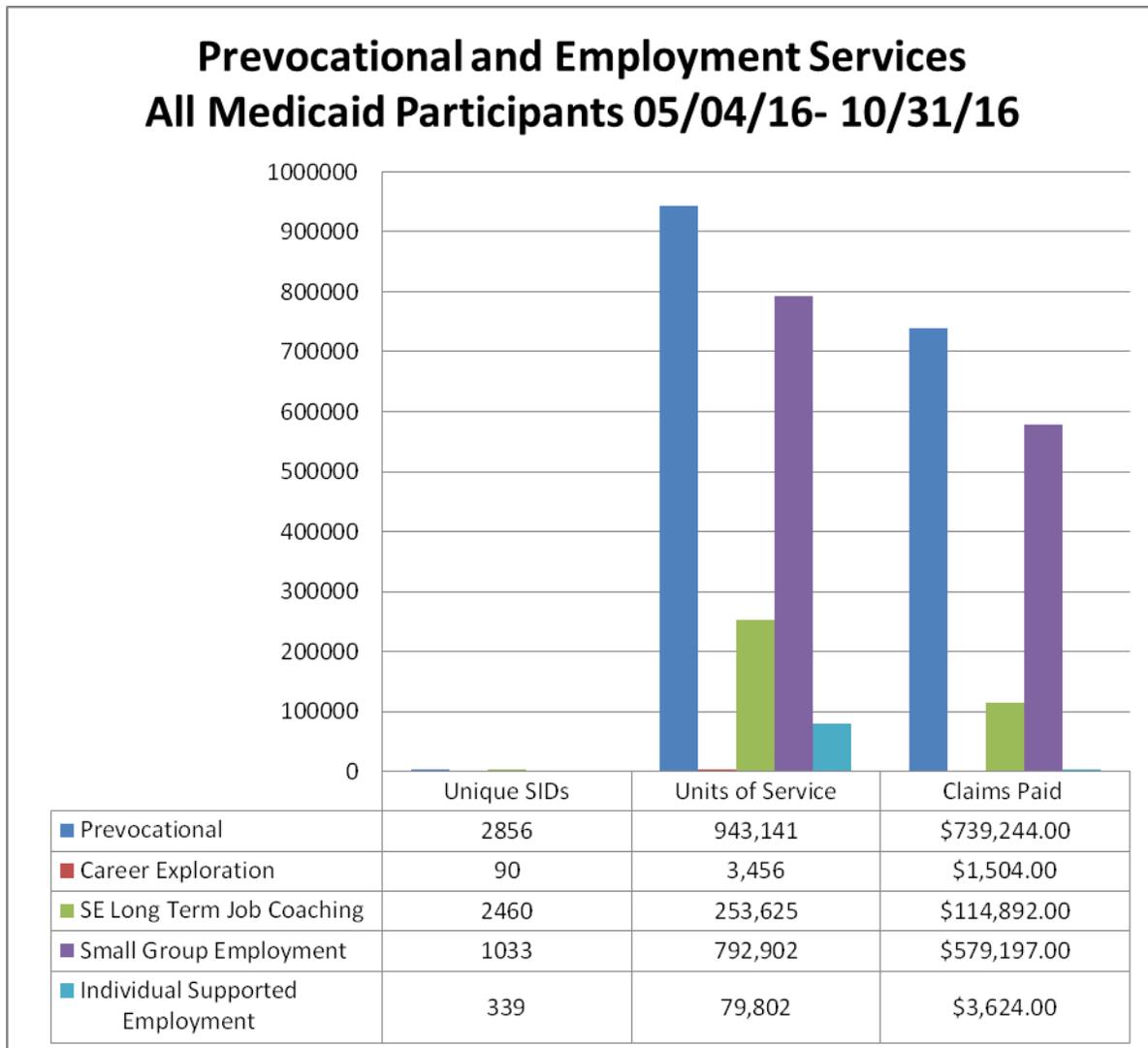
The reimbursement model is structured on a seven year projection of the movement of people across the HCBS employment service spectrum based on historical county MHDS and Medicaid claims data. The changes in reimbursement include:

- Changing supported employment and small group employment reimbursement from cost based reimbursement to fee schedule.
- Redistribution of some resources from Prevocational services to Supported Employment services.
- Implementing one fee schedule applicable to the HCBS Brain Injury Waiver, Intellectual Disability Waiver and HCBS Habilitation programs.
- Alignment between DHS and Iowa Vocational Rehabilitation Services (IVRS) employment service reimbursement policy.

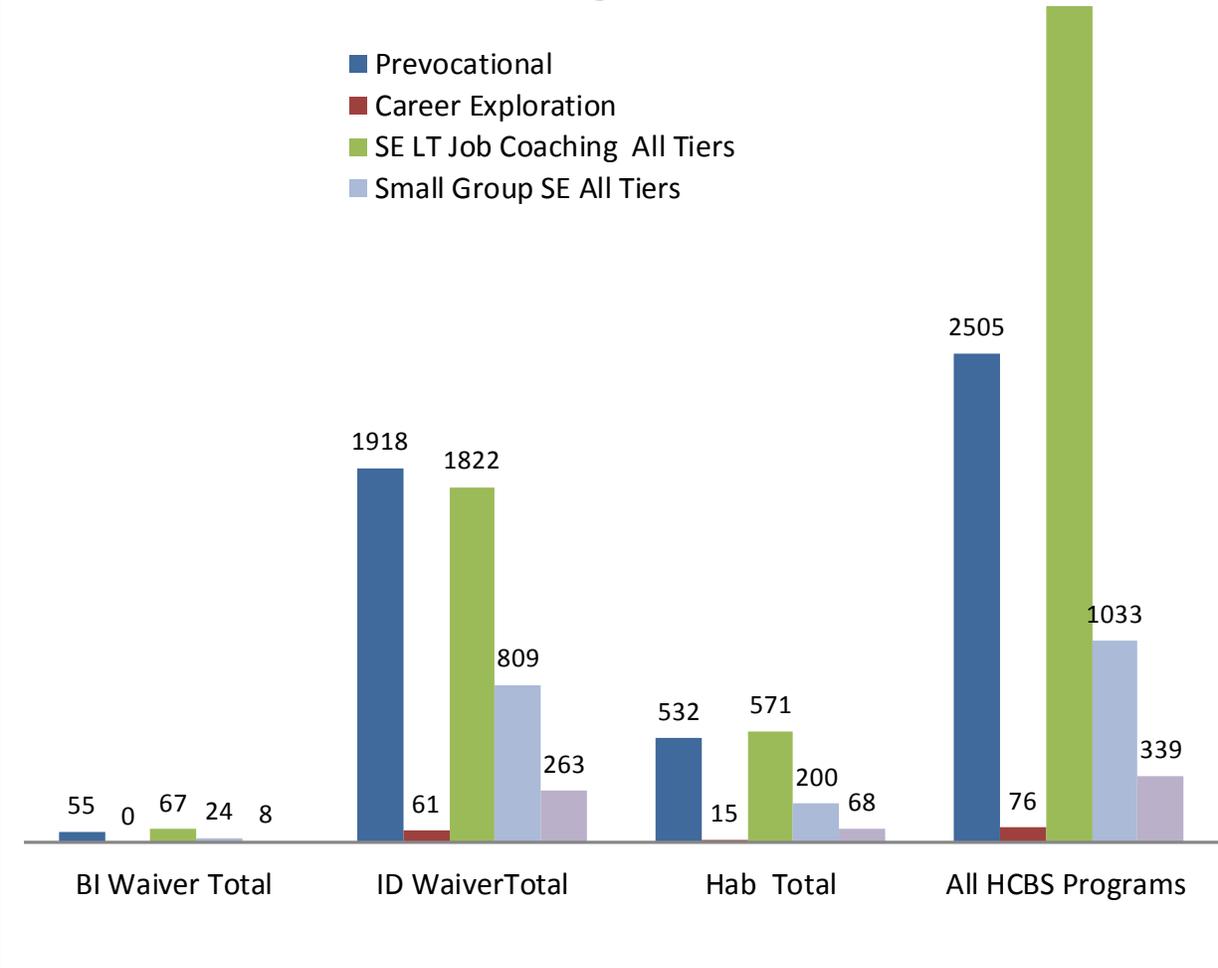
Baseline data for SFY 2015:



The unduplicated count of Medicaid members accessing Prevocational or Supported Employment during the period beginning May 4, 2016 and ending October 31, 2016 are represented below. Prevocational services remains the most accessed of the HCBS employment services followed by Small Group Supported Employment services. The number of individuals accessing Prevocational services declined and the number of individuals participating in Individual Supported Employment and Long Term Job Coaching increased over the numbers participating in Activities to Obtain a Job from SFY 2015 to the current reporting period. These services are accessed most often by ID Waiver members and accessed the least by BI Waiver members.

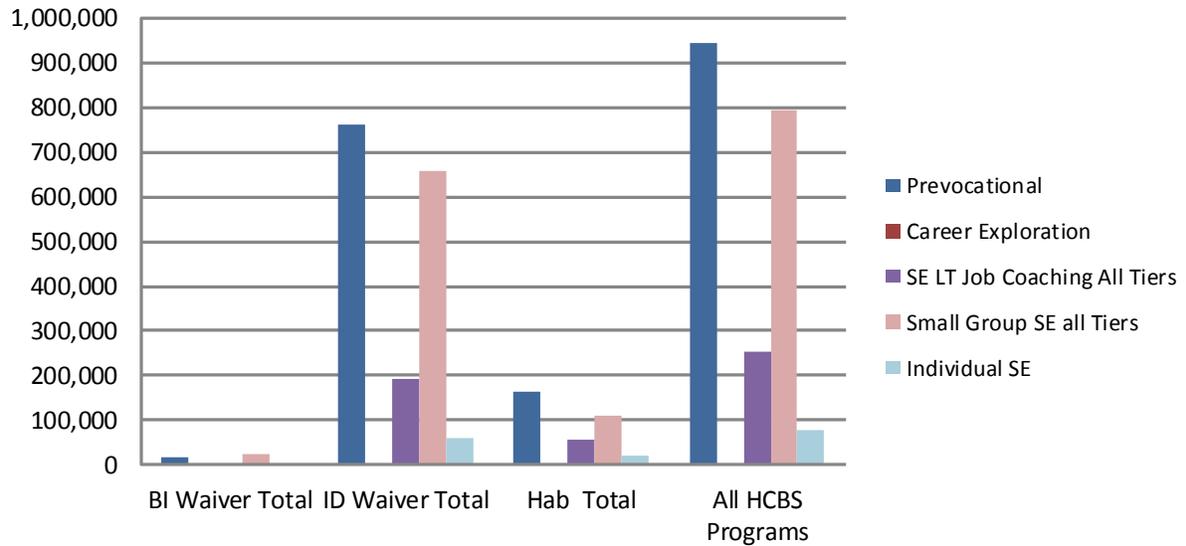


**Unduplicated Number of HCBS Members Accessing Services  
5/4/16 through 10/31/2016**

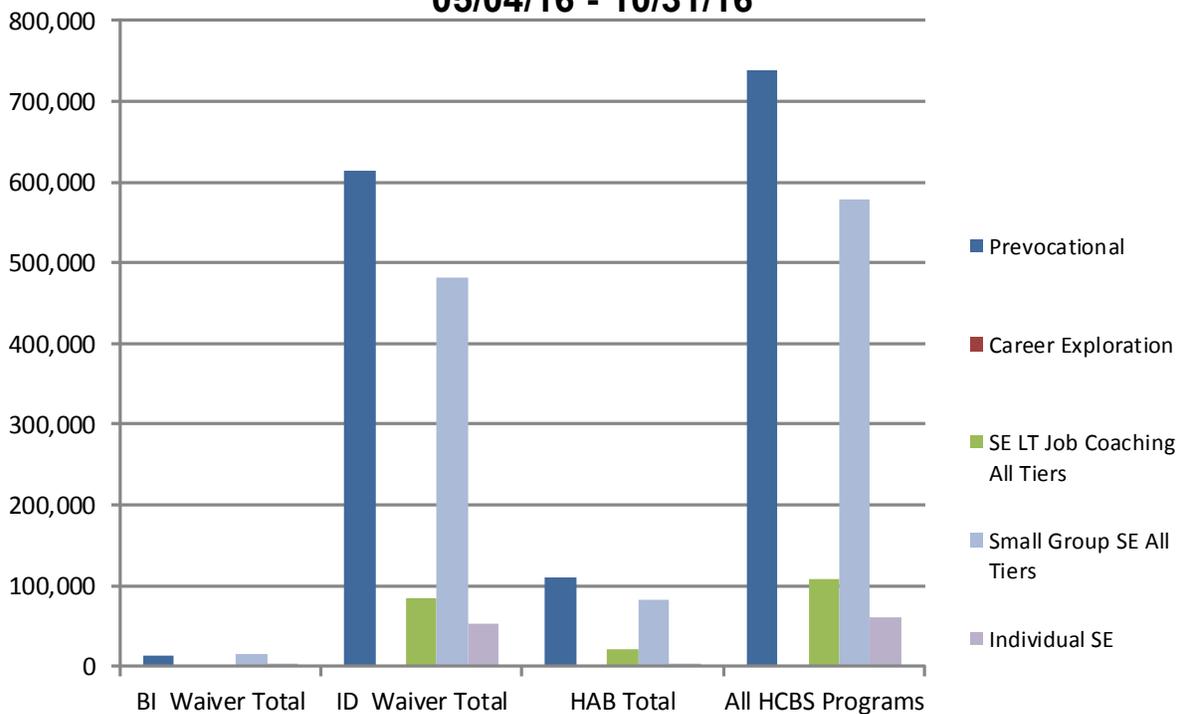


The number of units authorized and total claims paid for all services are represented in the tables below. Prevocational services continue to be the highest amount of claims paid for all employment services followed by Small Group Employment Services. However there was a noted increase in the number of individuals participating in Supported Employment Long Term Job Coaching during the reporting period compared to the number of individuals participating in Activities to Maintain a Job during SFY 2015 which is indicative an increasing number of individuals obtaining integrated community employment.

### Units authorized for all Claims Paid DOS 05/04/2016 -10/31/2016

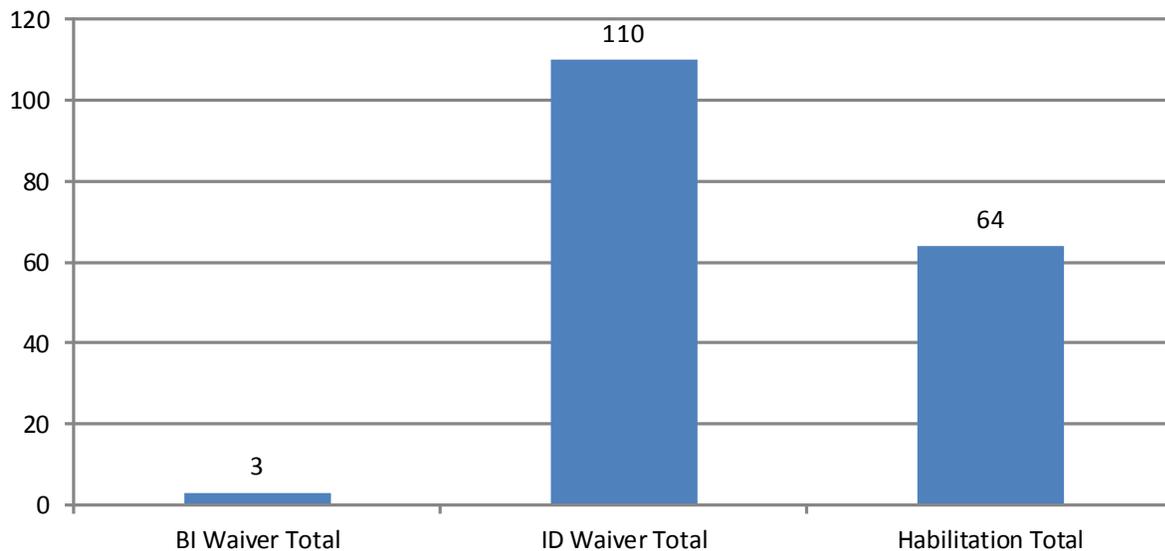


### Total Number of Units Paid for All Services 05/04/16 - 10/31/16

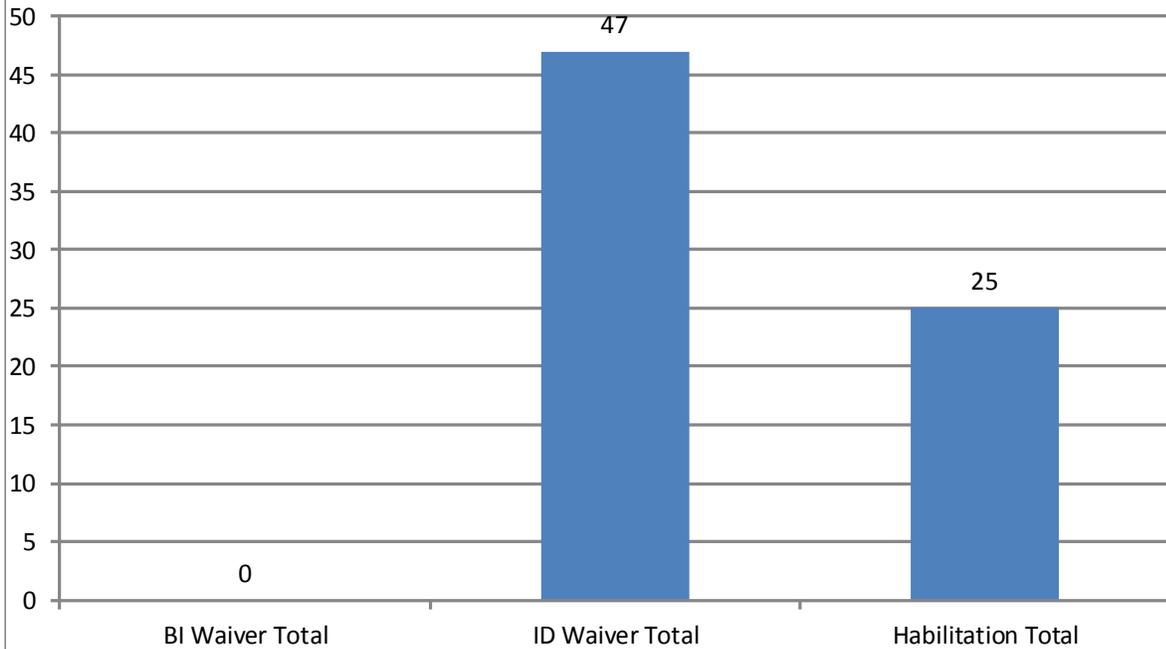


Individuals who require ongoing services or support when not competitively working full time may access Prevocational services when they demonstrate that they have an ongoing need for those services. There were 177 individuals that had integrated community employment who were accessing Long Term Job Coaching services and utilizing Prevocational services as a wrap-around support during this period. The data also showed that there were 72 individuals that stopped participating in Prevocational services and begun participating in Supported Employment Long Term Job Coaching indicating that those individual had secured integrated community employment in the duration and amount necessary so that they no longer required Prevocational services.

**Total number of members who were authorized for Prevocational services and were also authorized for a Supported Employment service for DOS between May 4, 2016 through October 31, 2016**



**Total number of members who were authorized for  
Prevocational services, stopped (end dated) those  
Prevocational services and began (start date) a  
Supported Employment service for DOS between  
05/04/16 and 10/31/16**



### Summary

In conclusion, while it is early in the implementation of this system's change effort, the preliminary assessment of employment service redesign is that it has led to positive changes in the delivery of employment supports for people with disabilities. Individuals participating in prevocational services are also beginning to participate in career exploration activities and developing career plans which will assist with supporting the pursuit of individual employment goals. There are fewer individuals participating in prevocational services today and a greater number of individuals that are participating in supported employment services than during previous years.

It is anticipated that as the managed care plans emphasize integrated employment for the people they support and begin to collect employment outcomes data from providers that we will continue to see a steady increase in the number of people moving into integrated community employment with the assistance of supported employment. As the number of individuals employed increases over time, studies have shown that overall Medicaid expenditures for those employed will likely decrease.