

Workgroup on Iowa's Disability Employment Services: Rates and Reimbursement Methodologies for Employment & Day Services

September 10, 2013



Three Key SELN Funding Guidelines

- **Funding is a part of a larger strategy to prioritize individual integrated employment**
- **Funding is not just a series of rates**
- **For funding to be a successful tool it must have supporting infrastructure at the individual, provider, and state levels that also prioritizes individual integrated employment**

Developing SELN Funding Recommendations for Iowa

- SELN began working with DHS in 2009
 - Expanded in 2012 through ICIE grant training and TA
- Iowa's 2010 SELN self assessment and forums identified funding for individual integrated employment as a priority
- Spring 2012 SELN site visit:
 - Day long stakeholder work group explored funding barriers for individual employment and goals for updated system
 - Work group also assisted in selection of states for SELN funding study.
- SELN funding study completed in July 2012
 - Analysis of comparison states work group selected
 - Assessment of pros and cons of each state's funding system
 - Recommendations for DHS funding strategy that included the best aspects of the selected states and are grounded in IA's goals, legacy, and infrastructure

Elements of Funding/Pricing Employment Services

- **Service Definitions that define Billable activities:** Career planning, job development, ongoing support, etc.; face to face and on behalf of, and location of service delivery
- **Contract Structures:** Approved Providers (open contracts) vs. maximum obligation, and performance based
- **Unit of Service:** 15 minute, hourly, daily, etc.; includes staff time vs. service time and outcome benchmarks
- **Individual Funding Allocation:** Standard amount, individual allocation, and portability of funds (i.e. funding follows person)

Elements of Funding/Pricing Employment Services

- **Process to fade supports and address increases in support needs:** How does resource allocation change as an individual need for support fades?, How are spikes in support need manage (job loss, personal crisis, job change, etc.)
- **Financial incentives:** Unit rate based on hours of work, incentive payments for outcomes, and methods to support unanticipated consequences

Successful Funding at the Individual Level

- Simplicity is essential
- Budget allocation process is distinct from payment rate process
- Individual level of need matters
- Transportation must be a separate allocation
- Funding systems need to have complementary case management systems that support the individual
- Supports respond rapidly to changes in need

What does the individual need to put these assumptions into practice

- Information about how individual integrated employment can expand their life
- An adequate individual budget to address employment support needs
- Knowledgeable case management that supports wrap-around supports and budget prioritization
- Transportation funding to be separate billable activity from every day and employment support
- Professional, knowledgeable, and creative employment staff

Successful Funding at the Provider Level

- Simplicity is essential
- High quality staff must be compensated
- Rate must be based upon staff cost
- Cost of indirect staff time is included in rate
- Providers' skill sets consistent across the state
- Supports a stable work team for long-term support
- Support authorizations change rapidly based on need

What does the provider need to put this into practice

- A rate to pay quality employment staff
- A predictable funding stream
- Standardized rates or a cost corridor
- Clear billable activities with defined outcomes
- Knowledge about what activities are included in each rate
- Defined staff competencies and pathways to meet the expectations
- Support to transition the organization to meet new business opportunities

Successful Funding at the Systems Level

- Simplicity is essential
- Service definitions must link to billable activities
- Some services must be time limited
- Funding systems must acknowledge the long-term costs
- Know the changes your state needs

What does the system need to put this into practice

- Quality assurance process that prioritizes individual employment
- Case management staff capable of managing short and long term employment costs
- Clear process for determining transition from job coaching to ongoing support
- Process to adjust authorizations quickly
- Clear process of using IDD funds when waiting for VR services

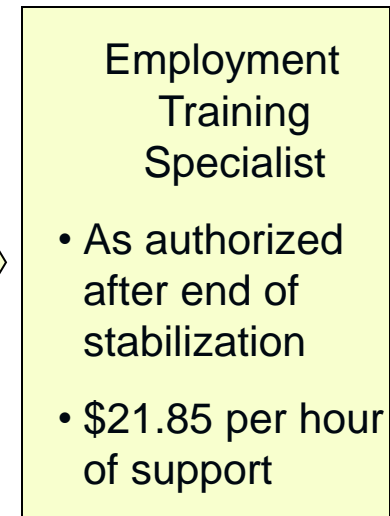
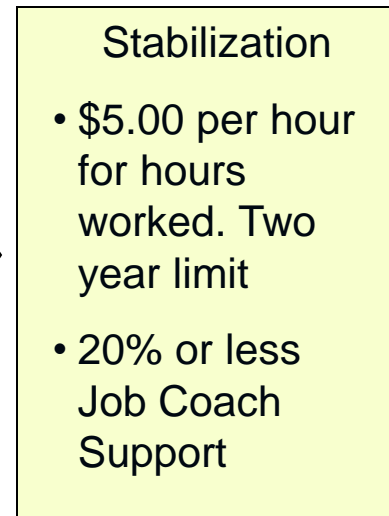
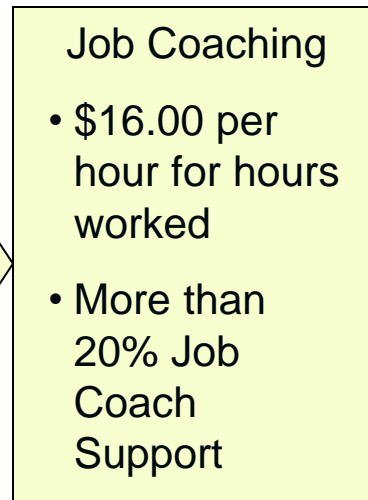
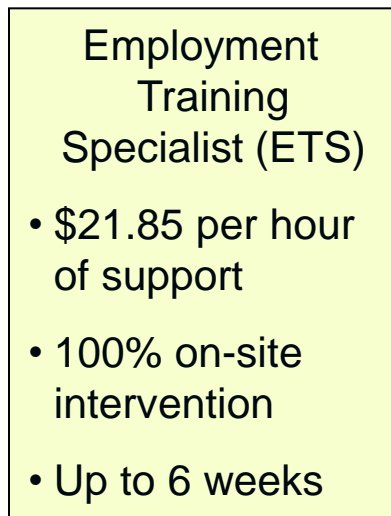
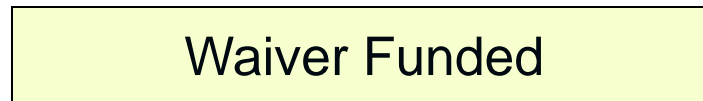
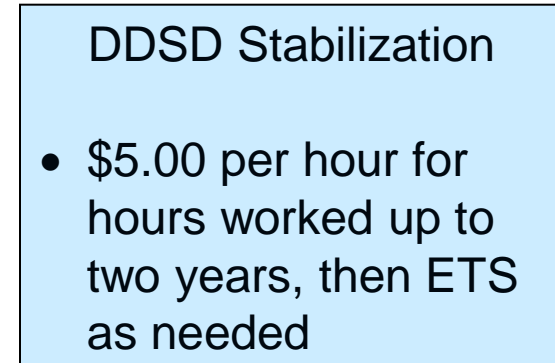
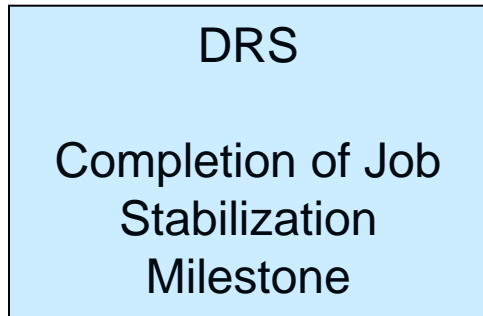
States reviewed

| | Services | Notes |
|--------------------|-------------------------|--|
| Connecticut | Job development | Rate/unit of service Specific funding request Required plan to fade supports |
| | Job Coaching | Rate/hour worked |
| | Benchmark payments | # hours of paid work At 3 months employed At 6 months employed |
| Minnesota | Developing new approach | Anticipate different rates for job development and ongoing support (coaching) |
| | | |

| | Services | Notes |
|-------------------|---------------------|---|
| Oklahoma | ETS rate | Rate/unit of service Intensive 3 rd party review via case management and QA |
| | Job Coaching | Rate/hour worked 20% or higher onsite |
| | Stabilization | Rate/hours worked 2 year limit ETS rate as authorized after |
| New Mexico | Job development | Rate/unit of service |
| | Job coaching | Rate/unit of service Until support is below 1 hour/month |
| | Community inclusion | Rate/unit of service Can support ADT service on the job |

| | Services | Notes |
|---------------|------------------------------|--|
| Oregon | Comprehensive waiver | |
| | Job exploration | |
| | Job development | Rate/unit of service Payment capped at daily rate and 10 hours/month Face to face or on behalf of |
| | Job coaching | Time limited Must be face to face |
| | Self Directed Waiver | |
| | Job development/job coaching | Rates vary within a range based on provider and on type of provider (employed by person, independent contractor, provider) |

Oklahoma





Iowa

Career Planning

- \$XX per hour
- Authorized in 20 blocks (max 60 hours) May supplement other services
- Outcome: Career Plan

Waiver IE– Obtain

- \$XX per hour
- Authorized in 40 hour blocks
- Employment Specialist
- Outcome: Stable in job

Or
IVRS
Placement

IE - Maintain

- Monthly payment based on level of support need
- **Tier 1:** 2-8 hours/month
- **Tier 2:** 9-16 hours/month
- **Tier 3:** 17-24 hours/month
- **Exception rate**

Building a rate: Key elements

- Annual wage: Employment professional
- Employee related expenses
 - Benefits and related direct staff costs
- Travel costs (mileage or alternative)
- Program support and administration
 - Supervision
 - Administration
 - Office and equipment
- Billable hours

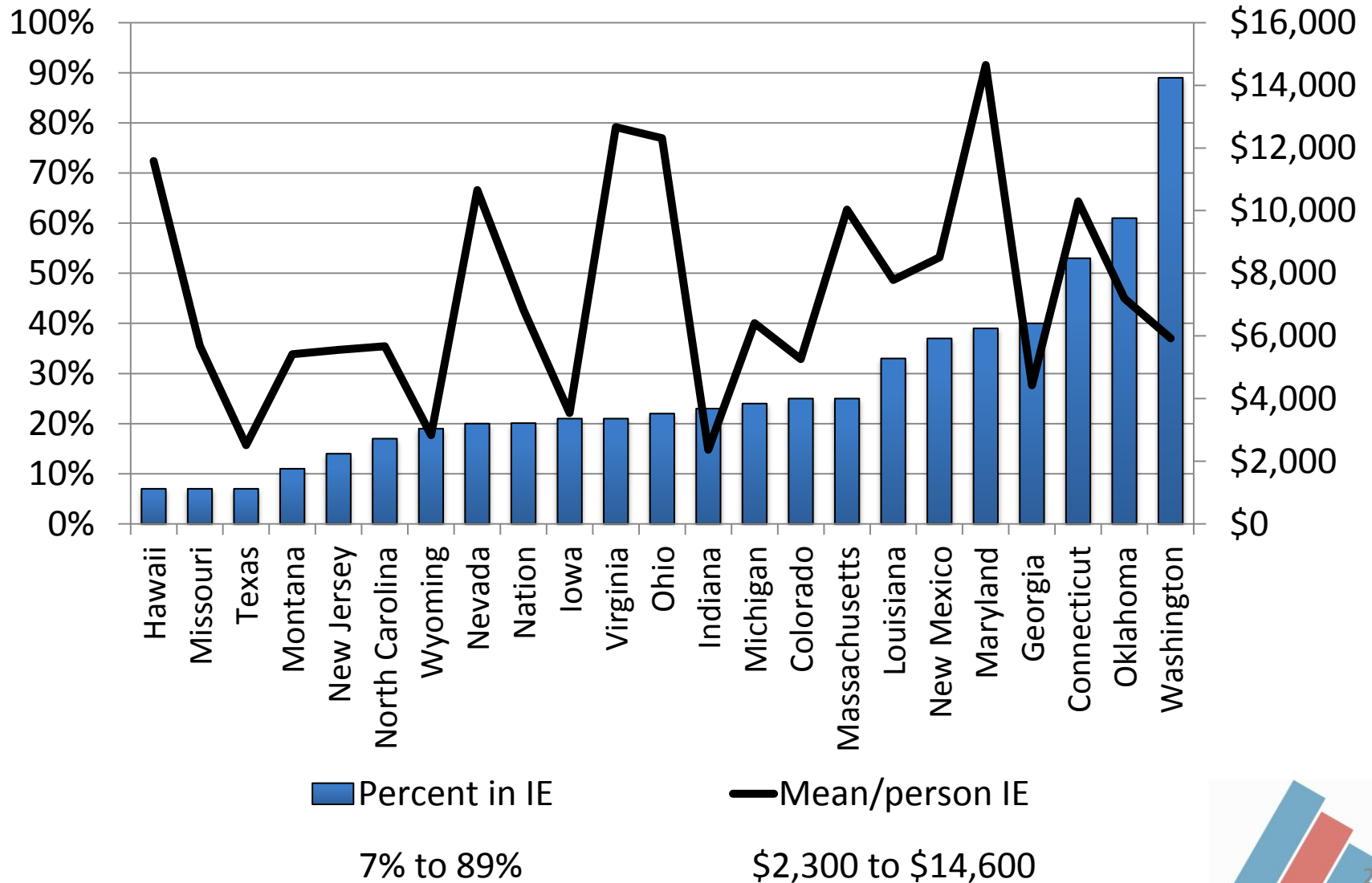
Billable costs

Total hours available at 37.5/week less

- Vacation, holiday and sick time
- Training and staff development
- Supervision
- Team meetings
- Non-billable (not person specific) job development
- Other non-billable tasks (meetings, progress notes, travel, ...)
- Productivity adjustment



Cost and Outcomes



Alternatives

- Straight unit rate for ongoing support
- Monthly rate for group SE
- Benchmark payments
- Hourly rate for hours worked for IE ongoing support
- Outcome payment at placement and stabilization

Long term support: Alternative rate structures

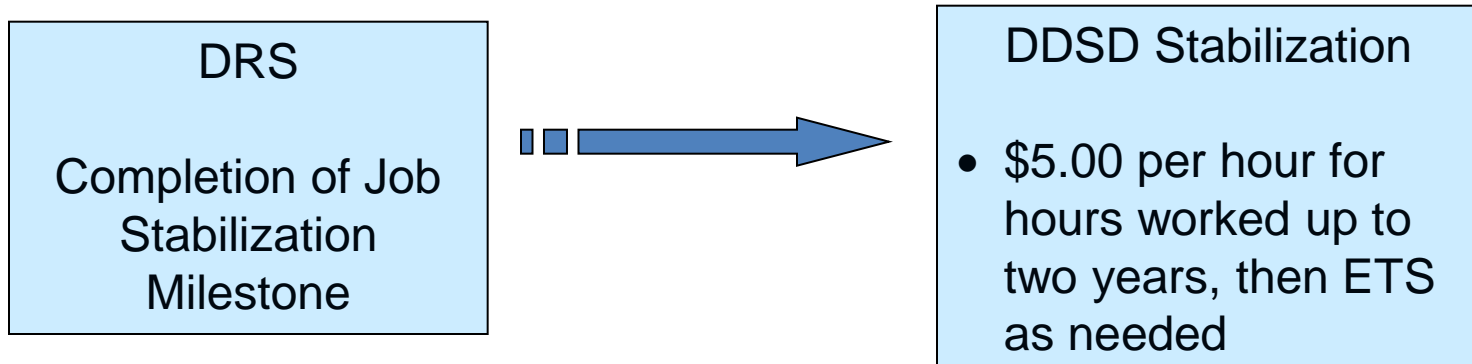
| State | Rate |
|-------|----------------------------------|
| CT | \$4.48/hour worked |
| GA | \$576/month |
| IN | \$176 to \$528/month |
| LA | \$48 to \$49/day |
| MD | \$34 to \$36/day |
| MT | \$353 to \$1024/month |
| OK | \$16.20/hour worked job coaching |
| OK | \$5.08/hour worked stabilization |

Elements of Funding/Pricing Employment Services

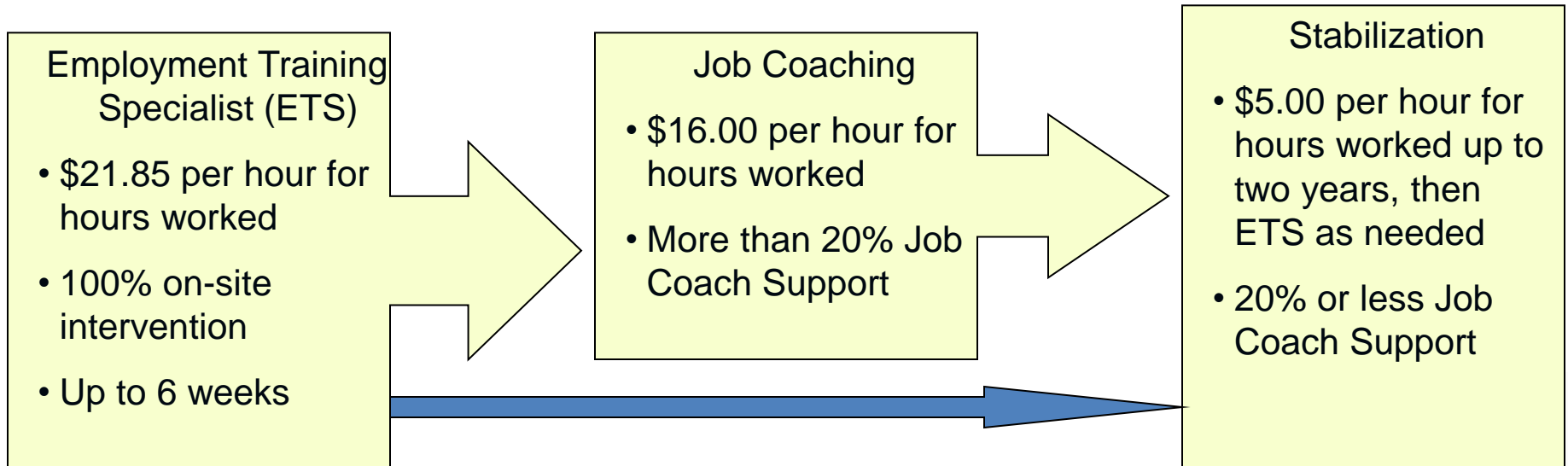
Financial incentives

- Unit rate based on hours of work (OK model)
- Incentive payments for outcomes (WA Thurston-Mason County transition)
- Unanticipated consequences (group employment becoming preferred provider delivery model: OK, CT, LA)

Oklahoma



Waiver Funded





Key Assumptions for a High Quality Funding System

- Simplicity is essential
- Service definitions link to billable activities
- High quality staff must be compensated
- Rate based upon staff cost
- Cost of indirect staff time included in rate
- Clear staff qualification requirements

Key Assumptions for a High Quality Funding System

- Supports stable work team for long-term support
- Some services must be time-limited
- Budget allocation process is different from payment rate process
- Individual level of need matters
- Transportation must be a separate allocation

Key Assumptions for a High Quality Funding System

- Funding systems need to have complementary case management systems that support the individual

Iowa

Career Planning

- \$XX per hour
- Authorized in 20 blocks (max 60 hours) May supplement other services
- Outcome: Career Plan

Waiver IE— Obtain

- \$XX per hour
- Authorized in 40 hour blocks
- Employment Specialist
- Outcome: Stable in job

Or
IVRS
Placement

IE - Maintain

- Monthly payment based on level of support need
- **Tier 1:** 2-8 hours/month
- **Tier 2:** 9-16 hours/month
- **Tier 3:** 17-24 hours/month
- **Exception rate**



Discussion: Moving from Concerns to Solutions

- What still concerns you?
- How will this strategy change the opportunities available to DHS clients?
- What changes do you/your organization anticipate needing to make?
- What supports do you/your organization need to implement this strategy?