

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

August 5, 2014



Objectives for presentation:

- Describe the elements and events that set the stage for redesigning IA's funding structure
- Describe the process IA used to develop new rates
- Describe the process IA used to gain stakeholder support
- Describe challenges that IA has encountered moving from development to implementation

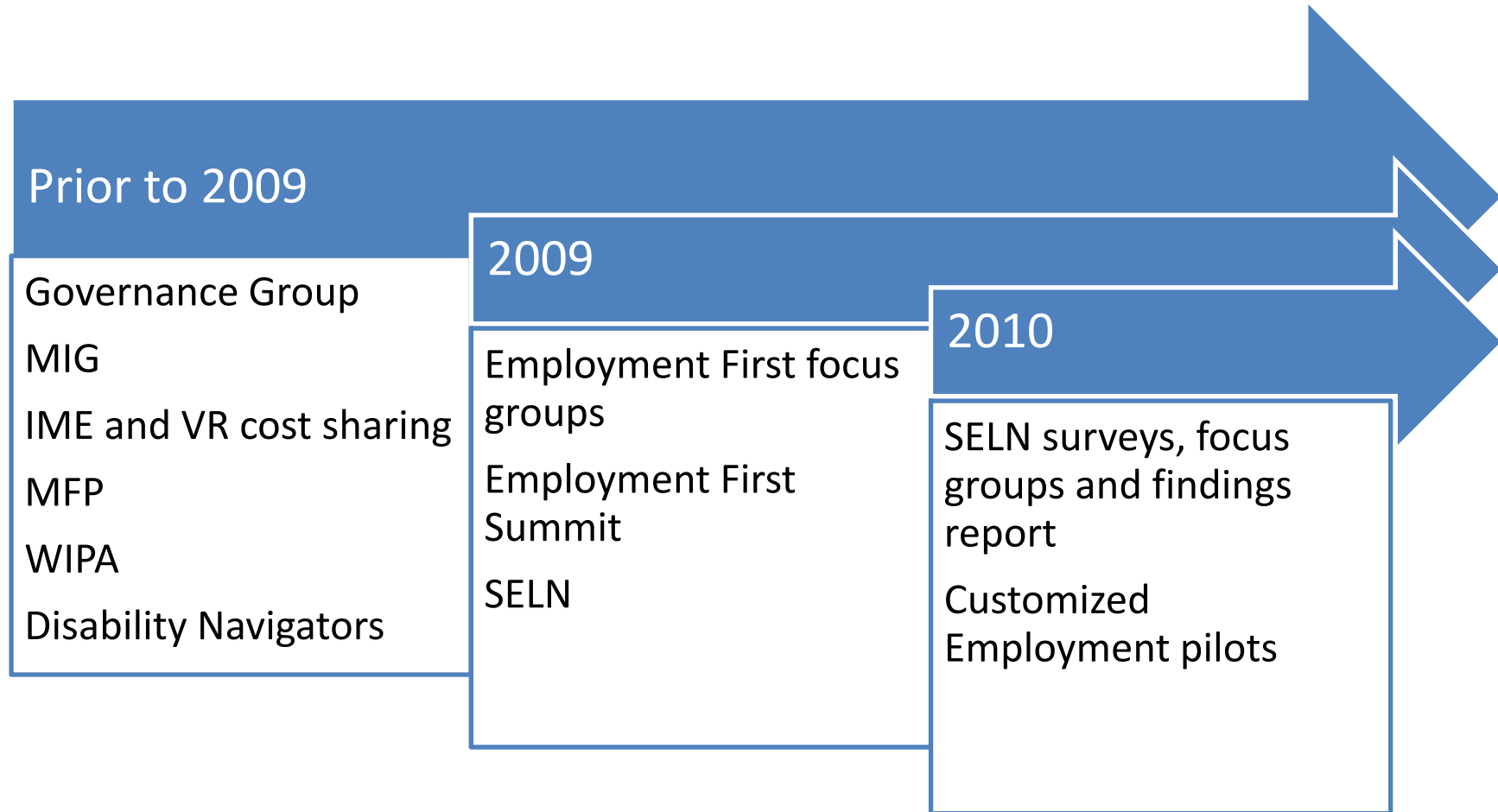
“Employment in the general workforce is the first priority and the expected and preferred outcome in the provision of publically funded services for all working age lowans with disabilities”

Iowa Department of Human Services
(DHS)

A service and funding system that is individualized and flexible over the person's employment lifecycle and that coordinates the use of all available resources toward individual jobs.

What IA DHS needs to full fill the vision

Timeline of Events: Part 1



Other Elements

- Iowa Mental Health and Disability Services Redesign
- Center for Medicare and Medicaid Services guidance on employment (2011)
- Department of Justice activities (ongoing)
- National Governors Association Employment project (2013)
- Iowa Medicaid Budget and FMAP (ongoing)
- Home and Community Based Settings rules (2014)

Why do these elements and events matter?

SELN reflection



SELN Funding Guidelines (SELN, 2012)

- **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 2008
Expanded in 2012 through ICIE grant training and TA
- 2008 SELN web 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

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)
* Rates current as of July 2012		

	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

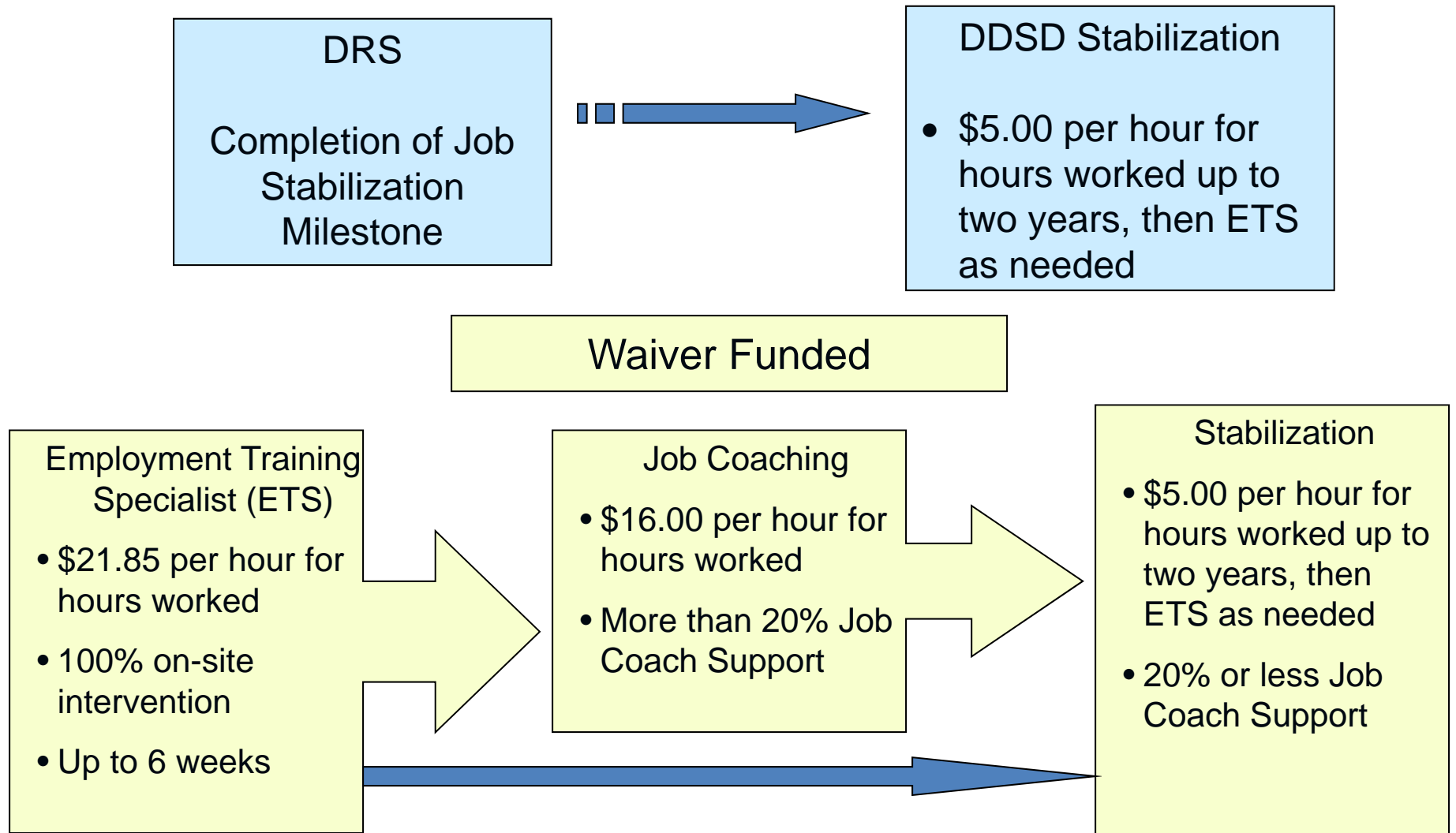
	Services	Notes
Oregon	Comprehensive waiver	
	Job exploration	
	Job development	Rate/unit of service Payment capped at daily rate and 10 hours/month Face to face or on behalf of
	Job coaching	Time limited Must be face to face
	Self Directed Waiver	
	Job development/job coaching	Rates vary within a range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

Why not just replicate another state's method?

SELN reflection



Why Oklahoma's Strategy Works for Oklahoma



Regina Chase

Successful Funding at the Individual Level (SELN, 2012)

- 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

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 (SELN, 2012)

- 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 must be consistent across the state
- Supports a stable work team for long-term support

What does the provider need to put this into practice

- A rate to pay quality employment staff a fair wage
- 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

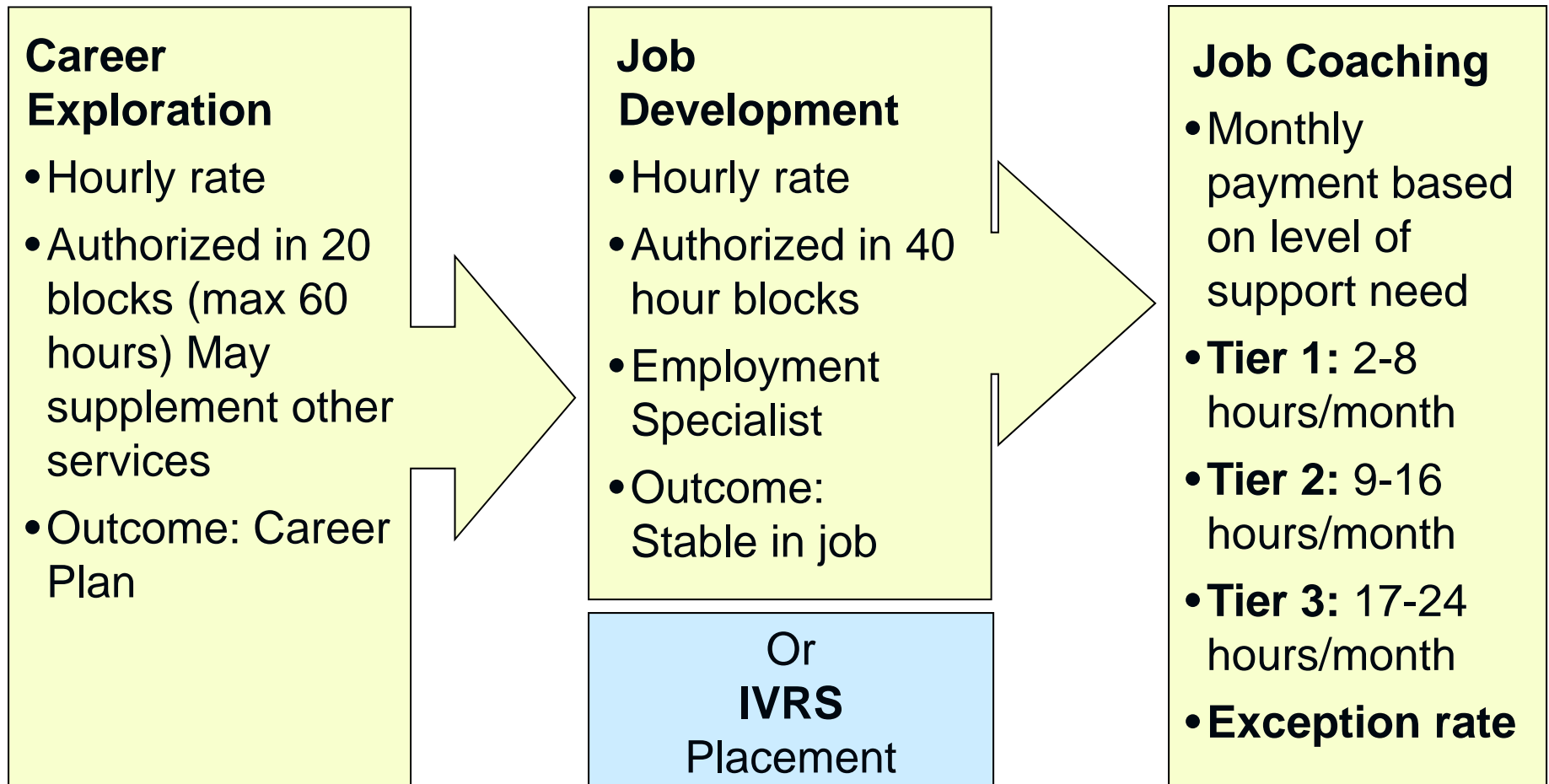
Successful Funding at the Systems Level (SELN, 2012)

- 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

Recommended Methodology for IA



Key elements of Methodology (SELN, 2012)

- 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 (SELN, 2012)

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

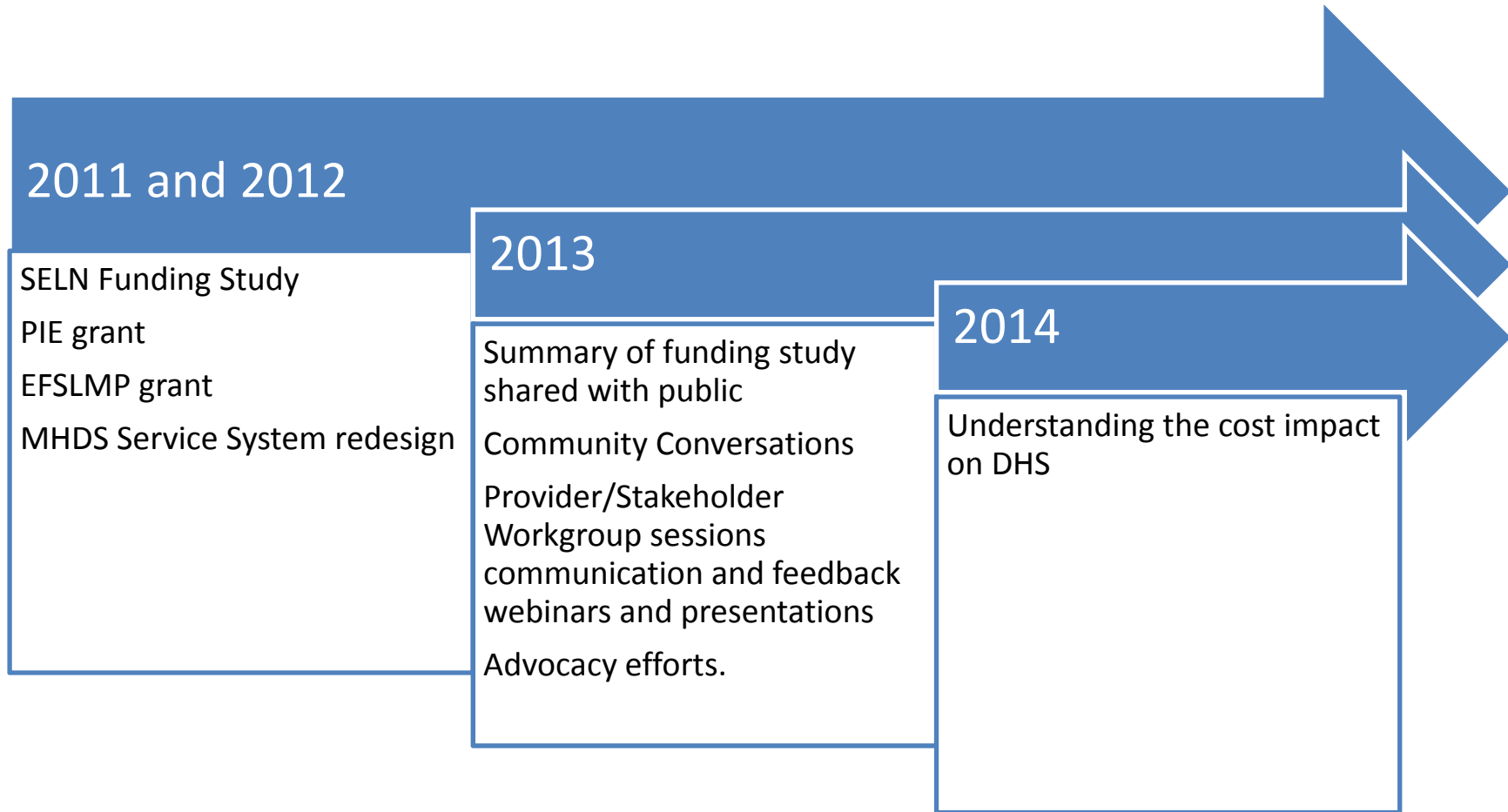
Modifications to SELN Recommended Rate (SELN, 2012)

- 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

Moving from Recommendations to Implementation

What else it takes to change the
employment system

Timeline of Events: Part 2



Process of Building Stakeholder Support

- Five Community Forums
- Stakeholder Workgroups
 - 7+ all day sessions
 - Service Definitions
 - Staff and Provider Qualifications
 - Reimbursement Rates

Stakeholders reached consensus on:

- **Staff Cost – three new hourly rates**
 - Career Exploration
 - Job Developer
 - Job Coach
- **Quality Service**
- **Incentive to provide Individual, Community Based Services**

Outcomes of engaging stakeholders

- Enhanced stakeholder understanding of governmental process
- Stakeholders have a sense of ownership of the new methodology
- Stakeholders are more engaged in advocacy activities for employment
- State Medicaid and VR agencies have a stronger collaborative relationship
- Policy makers are better informed, resulting in
 - State Appropriation for full Title I VR match!
 - Legislative mandate for report and hearing on Medicaid and VR collaboration and systems redesign, due 12/2014
- Employment is the “buzz”

Why is this different than
the experiences of other
states?

SELN reflection



Moving Towards Implementation

- Coordination with VR to sequence services for individuals 18-25
- Addressing the impact of the new services and rates
 - Steering individuals towards employment services
 - Reduction in prevocational services rate, changes to service definition, and new expected outcome of service
 - Introduction of career exploration service
 - Supporting the provider community to develop competency, reallocate resources, and support the clients they serve
 - Estimating financial risk of the new rates and services for the state: how to make changes in a cost neutral environment

Challenges to Implementation and Lessons learned

- Engage advocates at the beginning of the process
- Share information in small tangible chunks with state agency management staff
- Use every opportunity to further the cause

For More Information on IA DHS:

MHDS Employment Website:

<http://dhs.iowa.gov/mhds/disability-services/employment>

IVRS Website:

<http://www.ivrs.iowa.gov/>

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For More Information on SELN and SELN's Funding Methodology:

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