

Cost-Effective Methods for State VR and IDD Agencies to Collaboratively Advance Competitive Integrated Employment



*A Presentation/Dialogue
with Dr. Lisa Mills
supported through AoD's
Disability Employment TA Center*

**LEWIN GROUP**

**TASH**

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Few Argue Against the Value & Benefits of Employment for People with Disabilities

The expectation that public programs do better in facilitating competitive integrated employment for individuals with disabilities ***just keeps getting stronger.***



There should be a place in the mainstream workforce for every American that wants to work

Employment First Means Expecting Employment

Integrated employment is what we expect first and plan to achieve first rather than planning for something less because we assume integrated employment is not possible.

-Linda Vegoe, Wisconsin Rehabilitation Council

When Employment Is Expected and Assumed

Employment is viewed as the anchor
in a meaningful day and
a meaningful life.

-Pat Rogan, Indiana University

The Majority and Minority Opinions

Too many still hold the belief that public programs *can't* do better in facilitating competitive integrated employment for individuals with disabilities *because there isn't enough money.*

Too few believe...



...by using the money we have more wisely.

The Reality

- ❖ Spending **more** doesn't guarantee better quality and outcomes.
- ❖ **HOW WE SPEND** can be just as important as the amount we spend...maybe even **MORE IMPORTANT**

Value-Based Purchasing



- Tying payment (or part of payment) for services to measurable outcomes/quality produced by services delivered
- Goals:
 - Increasing quality for same cost
 - Increasing quality **and** reducing cost
- Key Principle:
 - Service delivery system reform **requires** payment reform



Compliance Isn't Quality

- Following the rules is **not** enough to excel at the game.



No Penalties



Does Not Equal



Touchdowns

**“Price is what you pay.
Value is what you get.”**

Warren Buffet

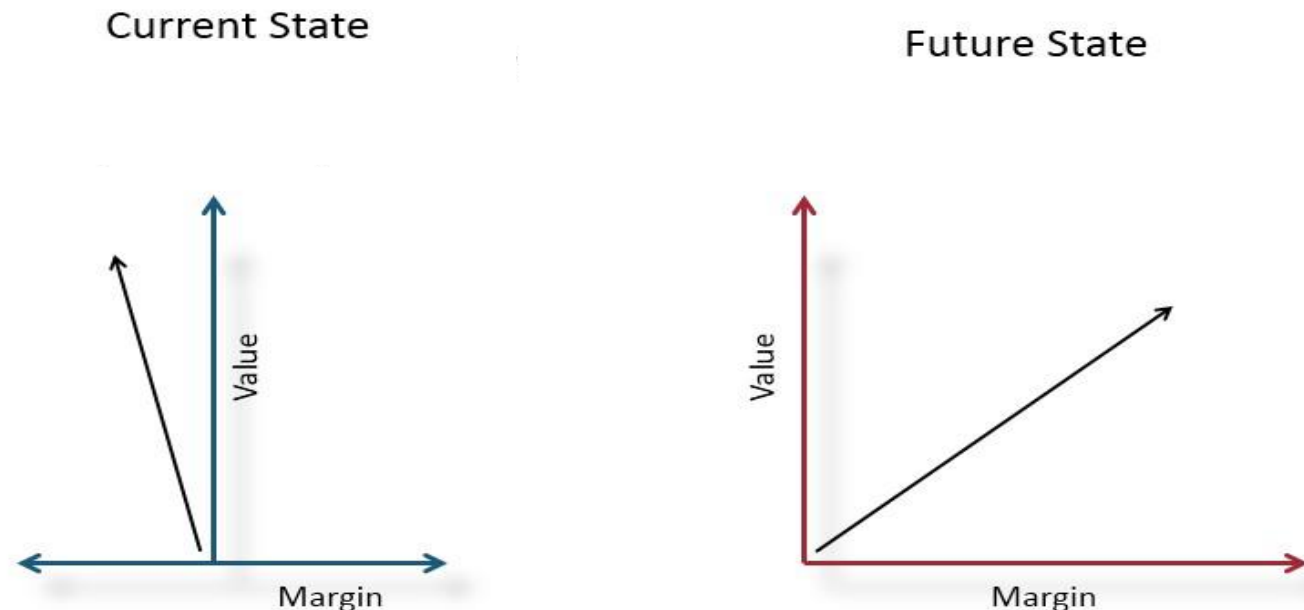
Moving from:
Price based
solely on cost

Moving to:
Price based on
cost & value

High-Performing Providers Must Do Well Financially

Value-based purchasing strives to **move away** from a situation where increasing the value of the services delivered (i.e., quality; effectiveness; efficiency) has a **negative** impact on the financial sustainability of providers that are delivering this increased value.

Value-based purchasing strive to **move towards** a situation where the delivery of high value services results in **higher margins** for providers.



Paying for quality rather than quantity of service delivered.

Fee-for-Service

Proving harder to leave
behind than institutions!

Puts emphasis on service delivery
rather than service outcomes.

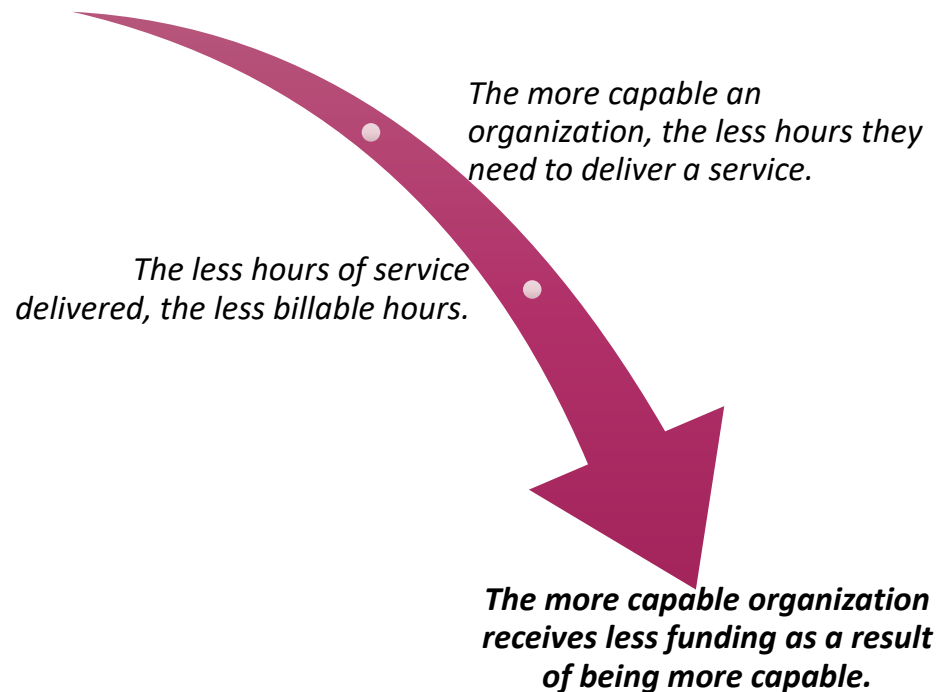
Fee for Service (continued)

Who's getting paid the most
in a fee-for-service system?

Is it the **top performing** providers
or the providers delivering
the greatest **volume** of services?

Why Fee for Service Creates Challenges for High Performing Employment Service Providers

The paradox when paying by hour of service.



Providers who do exemplary work earn no more than providers who do not do exemplary work.

In fact, they may earn less.

Flat Milestone Payments

- ❖ Great early strategy to move beyond fee for service.
- ❖ Inadvertently causes cherry-picking / creaming and exclusion of some individuals from supported employment.
- ❖ Does not adjust payment to reflect better quality outcomes.

Rate Restructuring to Get Better Quality and More Outcomes

❖ Moving beyond both traditional fee-for-service and flat milestone payments

Doing this in a way that ensures:

1. Better and increased outcomes for individuals served
2. High performing providers prosper by providing CIE services
2. Funders can demonstrate cost-effectiveness

The Growth of “Rate Restructuring”

- Not just “raise the rates”
- Considers:
 - What is being purchased
 - The methodology to capture provider costs
 - Definition of quality and financial incentives for quality
 - Service definition/billing rules that apply to the payment

Establish Alternative Payment Models

Financial Incentives:

Not Dirty Words

- Money drives behavior regardless of whether money is scarce or plentiful.
- **There are financial incentives and disincentives in every rate and reimbursement structure that exists in programs serving people with disabilities.**
- The key question is whether those financial incentives and disincentives **align** with the opportunities and outcomes (i.e., the quality) that are desired from the services being purchased.



Win-Win Outcomes Balance the Advantages

- Funders **and** providers naturally want the reimbursement methodologies and rate structures that are most advantageous to them.
- The model that is most advantageous for funders (pay little and get a lot) and the model most advantageous for providers (do less and get paid more) are rarely in alignment.
- **Reimbursement models and rate structures that create positive change are those that *balance advantages for funders and providers* so both are willing to implement with fidelity to the intended outcomes.**

Doesn't Supported Employment Cost So Much More?

- 15-minute fee-for-service unit rates in IDD programs certainly suggest the answer is YES
 - These rates are **misleading** because they do not account for fading expected in Individual Supported Employment
- **Raising fee-for-service rates (to increase service utilization and CIE outcomes) can inadvertently cause less utilization and no growth of CIE outcomes.**
- Comparing costs **accurately** requires looking at cost of outcome, not reimbursement rate

Early Analysis of Comparative Costs

Research conducted by: Robert Evert Cimera, PhD (Kent State University)

2009 Evaluation of Wisconsin Medicaid LTSS Investments: Cost Per Hour Worked (Sheltered vs Individual SE)

	Cost Per Hour Worked	Reimbursement Rate
Supported Employment	\$8.01	\$30.00/Hour
Sheltered/Center-Based Employment	\$13.40	\$6.00/Hour

- Results for individuals working in combination of individual SE and sheltered/center-based employment.

Recent Analysis of Reimbursement Rate vs. Actual Cost of Supported Employment

Nebraska IDD System Supported Employment Study (2022):

Cost of Service:

Reimbursement Rate: **\$59.12/hour of service**

Cost of Outcome:

Cost Per Supported Employment Hour of Participation (Supported Employee Hour Worked):

\$25.84



Alternative Payment Methods: Some Lessons Learned

❖ **Incentives layered on-top of fee-for-service:**

- ❖ Must be substantial enough to impact provider behavior
- ❖ **Still doesn't address underlying issues with fee-for-service reimbursement**
- ❖ Providers must be supported to learn new ways to track, report and bill for quality & outcomes, in addition to tracking, reporting and billing for service provision

❖ **Payments based on outcomes (e.g., hours worked by supported employees):**

- ❖ Rates must still be incentivized in comparison to rates for alternative service options
- ❖ Providers must be supported to learn new ways to **monitor/improve performance** and **focus on net income** as opposed to gross income

Alternative Payment Methods: Some Lessons Learned (continued)

❖ **Milestones with quality incentive adjustments:**

- ❖ Quality incentive adjustments to milestone payments must be substantial enough to impact provider behavior
- ❖ **Still can incentivize creaming/cherry-picking if milestones don't address 'risk adjustment' to take account of "challenge to serve"**
- ❖ Providers must be supported to avoid "rush to completion" that delivers poor quality.
- ❖ VR staff authorizing milestone and quality incentive payments must be supported to learn how to evaluate quality of outcomes produced by providers
- ❖ **Milestone payment amounts must accurately reflect provider costs. Adding quality incentives to underfunded milestones won't result in better outcomes.**

Discussion

Sequencing and Braiding Resources:
Critical Strategies for Cost-Effectively
Expanding the Use of Supported Employment
with Individuals with IDD

CALIFORNIA STATE AGENCIES MEETING

SEPTEMBER 11, 2023

SUPPORTED BY DETAC INITIATIVE

Recall: The Majority and Minority Opinions

Too many still hold the belief that public programs *can't* do better in facilitating competitive integrated employment for individuals with disabilities *because there isn't enough money.*

Too few believe...



...by using the money we have more wisely.



An Unintended Result of Our Gatekeeping Culture

- Systems spend but what people get is not what is needed or sufficient to achieve outcomes.
- Resources are ultimately wasted despite intent to conserve resources.

Beyond Traditional Application of “Payer of Last Resort”



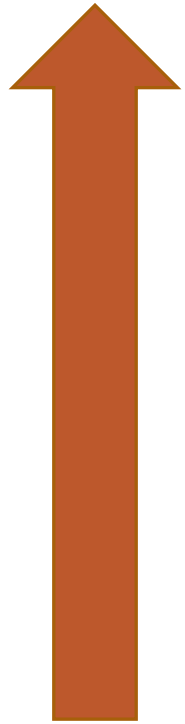
Cost-Sharing Rather than Cost Shifting

- People get the services and supports they need – when they need them – to achieve their outcome.
- No one system is 100% financial responsible.

RSA Technical Assistance Circular

(July 2023)

- ❖ Issued to support State VR agencies to maximize VR and **supported employment services** and supports that assist individuals with disabilities in achieving long-term labor market attachment in competitive integrated employment.
- ❖ State VR agencies' intentional efforts and **maximum investment of resources** to provide comprehensive quality VR services will lead to improved employment outcomes for individuals with disabilities.
- ❖ In today's ever-changing economy, it is paramount for VR agencies to **evaluate their current service delivery models**, develop a strategic approach to make full use of available funds.
- ❖ VR agencies are encouraged to **focus efforts on and investments in the seamless delivery of supported employment services**



Sequencing and Braiding

If we aren't focused on
EVOLVING,
we aren't doing our best

UNDERSTANDING THE DIFFERENCES AND THE OPPORTUNITIES



Encouraging Cost-Sharing and Service Coordination Using Federal Funding Streams

Issued: Aug 3, 2022

Joint federal guidance to state and local governments

“Our respective federal departments and agencies are collectively **encouraging** State and local partners to proactively implement resource blending, braiding and sequencing strategies, as appropriate, across systems to maximize resources while simultaneously tackling our shared goal of improving CIE outcomes for youth and adults with disabilities.”

Accompanying FAQ contains critical additional guidance.

Definition of Sequencing

- **Sequencing** occurs when multiple funding streams separately and *sequentially* purchase and provide specific services that support an individual with a disability in pursuing, obtaining, or maintaining competitive integrated employment (CIE).



- Requires interagency coordination and collaboration to ensure **no gaps** in necessary services for individuals with disabilities pursuing and working in CIE.

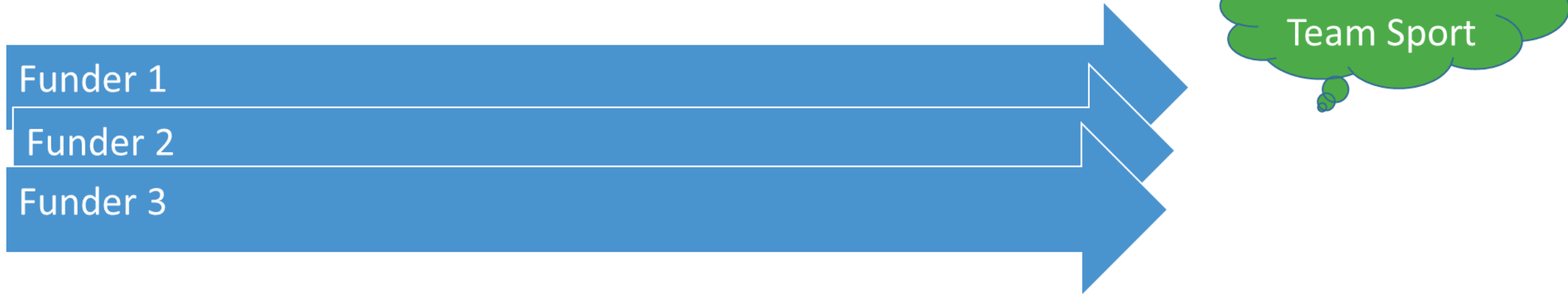
Use MOU to define what each funder will provide to address payer of last resort

Sequencing Lays Foundation for Stronger Methods

- Sequencing has proven to be *an important, formative practice* for funding sources seeking to coordinate resources and share responsibility/credit for individuals with disabilities achieving CIE.
- Experience indicates there are *better methods beyond sequencing*:
 - Offer better opportunities for collaborating funding sources to provide *more effective services*, ensure *continuity* in service delivery, and *increase successful outcomes*.
 - Provide *more holistic* supports of *sufficient intensity* for individuals with the most significant disabilities to succeed in CIE.
- **People with disabilities can advance toward and achieve CIE more quickly if they can receive needed services simultaneously.**

Definition of Braiding

- **Braiding** occurs when multiple funding streams, separately and *simultaneously*, purchase and provide specific services that support an individual with a disability in pursuing, obtaining or maintaining CIE.



- Requires interagency coordination and collaboration with goal to deliver **more effective** - **and when necessary, more robust** - supports for individuals with disabilities pursuing and working in CIE

Braiding Requires Enhanced Collaboration and Generates **Better Outcomes, Often at Less Cost for Each Funder**

- Braiding requires teamwork and communication –
 - Not just at hand-offs, which is typically the case with *sequencing*.
 - Coordination of services must ensure **non-duplication**.
 - Each funder's plan for services must reflect the other funders' services to create **a holistic plan for the common customer** to achieve desired outcome(s).
- Braiding brings higher likelihood of successful outcomes at lower cost
 - Emphasis on **cost-sharing** rather than *cost-shifting*.
 - Focus on **division of payment responsibility** - defining what each funder can provide in the short and long-term.
 - **When multiple funders can pay for the same thing, clear agreement on who will pay when.**

Define in MOU to address payer of last resort

Braiding Examples:

Note: Many more are possible

Medicaid Waiver-Funded Community-Based Day Services, Work Activity or Participant-Directed Community-Based Training

AND

VR-funded Career Exploration and Job Finding Services

Both can be authorized simultaneously because they are not duplicative

Only face to face service delivery (physical or virtual, if permitted) cannot happen during same 15-minute unit of time.

Medicaid Waiver-funded Job Coaching

AND

VR-funded Career Advancement Services

Both can be authorized simultaneously because they are not duplicative

Only face to face service delivery (physical or virtual, if permitted) cannot happen during same 15-minute unit of time.

Keys to Success for Funding Partners: Prioritizing Successful Outcomes

1. Recognition of joint responsibility and joint benefit

If we don't do this together, we may end up having to do it all ourselves for the people we serve.

Doing this benefits both of our programs in terms of achieving intended outcomes for individuals served.

2. Willingness to cost share for benefit of individuals served

Instead of trying to avoid spending altogether, we will cost share to get the most return on our investment.

3. Recognition of importance of MOU/Inter-Agency Agreement

Documenting agreement on respective roles in serving "common customers", including respective payment responsibilities, is key to addressing both parties' "payer of last resort" obligations.

4. Commitment to jointly and publicly promoting the agreement

Training and tools for field staff to implement the agreement is critical, as is ongoing support of field staff and monitoring of success through data collection and sharing

Discussion

- ❖ What opportunities exist to increase **COORDINATED USE** of available funding?
- ❖ How can **ENGAGEMENT** of individuals with IDD be increased in a coordinated way that leverages resources of partner systems?
- ❖ How can **COORDINATED PAYMENT METHODS** that support high performing providers be adopted by partner systems?

Other Areas for Discussion?

Expectations for Next
Meeting?

Contact Information

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DETAC's Conceptual Framework

Purpose

- The AoD Disability Employment Technical Assistance (TA) Center will provide evidence-based training and TA to AoD grantees across programs to improve capacity to effectuate increased employment and economic outcomes of individuals with disabilities across the nation.

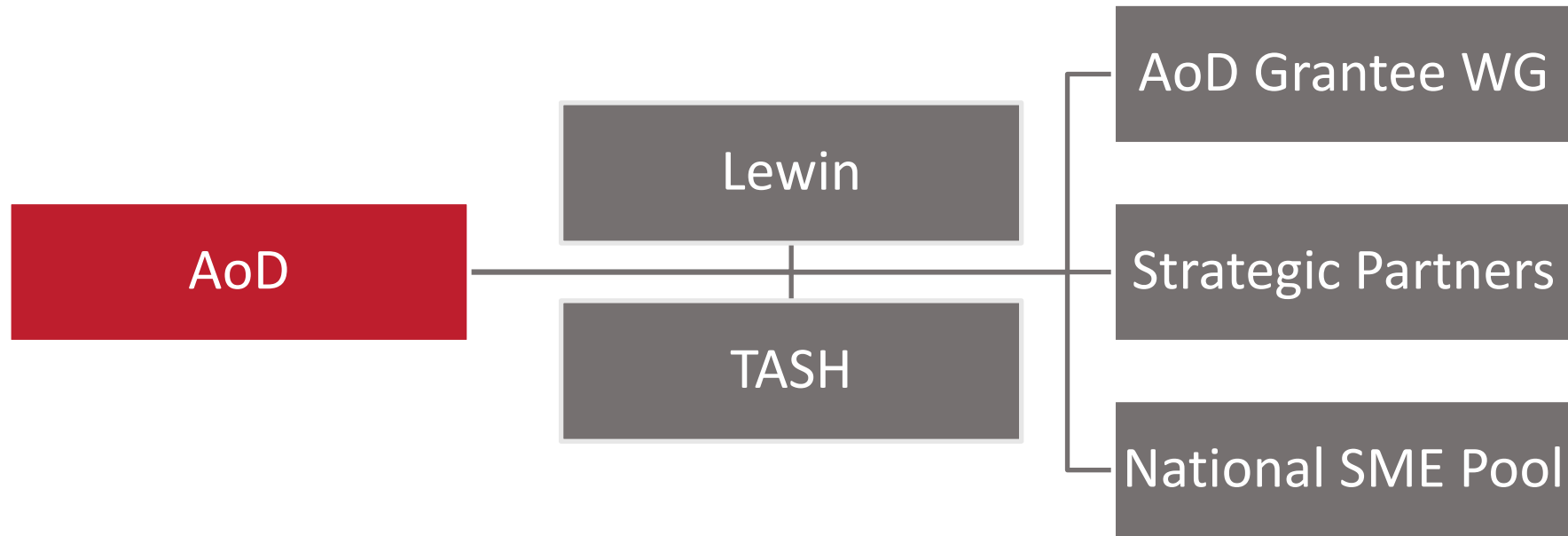
Focus of TA

- Scalability/Sustainability of Evidence-based Practices
- Provision of tools, skills-development, strategies, resource development, and partnerships/collaborations.

Desired Outcome

- Demonstrable improvements in employment & economic outcomes for individuals with an array of abilities directly in connection with efforts by AoD grantees.

AoD DETAC Organizational Structure



TEAMWORK

AoD Disability Employment TA Center: *Strategic Partners & SMEs*

Strategic Partners

- AT-3 Coalition
- Association of University Centers on Disabilities
- Association of Programs for Rural Independent Living
- National Council on Independent Living
- National Association of Councils on Developmental Disabilities
- National Association of State Head Injury Administrators
- National Disability Rights Network



National Subject Matter Expert Pool

- **60 SMEs thus far**
 - ~40% are current/former leaders of AoD grantee entities
 - Remaining are SMEs in the areas of promising practices and systems change related to increasing competitive integrated employment & economic outcomes for people with disabilities
 - **Dr. Lisa Mills is an SME for the DETAC**
- **Employment TA Partners**
 - WISE, Transcen, Marc Gold Associates, Griffin-Hammis, and others

Direct TA to AoD Grantees (FY2021)

- **On-demand, real-time TA** based on grantee requests, with minimum hours breakdown for each category of grantee shown in diagram
- **Quarterly training intensives** for all interested AoD grantee front-line staff and leadership
- **Creation of a National Community of Practice (CoP)** with monthly interactive webinars, blog posts, SME trouble-shooting/brainstorming sessions, and podcasts
- **Quarterly Provider Network Training Workshop series** to support relationship-building between providers and CILs/DD Councils
- **Results & Innovation in Systems Excellence (RISE)**
Peer Action Learning Communities: Time-limited, topically-focused, outcome-oriented TA model offering a hybrid of individual and group TA for AoD grantees to accesslerate their influence on promoting CIE in their state policies and programs.
 - The Kansas Council on Developmental Disabilities has been participating in the first RISE Peer Action Learning Community on strategic planning since May 2021.