



KCDD
Kansas Council on
Developmental Disabilities

**A Kansas Roadmap to Improve Employment Outcomes
Of Its Citizens with Disabilities**

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Analyses of current policies, funding, potential disincentives and barriers to persons with disabilities, including students with disabilities, succeeding in community integrated employment

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Note: This is deliverable one, the initial current policies and practices analysis, of a nine deliverables project. It is strongly encouraged that this initial analysis be distributed along with at minimum deliverables two, three, and four. Some parts of this analysis may be found to be inaccurate and will be revised given future information during the length of the project. This is likely the portion of the project that contains the most implied criticisms and should be read in the context of subsequent deliverables, strengths, and solutions.

In Spite of Our Best Efforts

There have been many reviews, previous analyses, committees, policy suggestions, and initiatives that have been researched for this analysis. In addition to these, conversations with important and long-standing providers of supported employment in Kansas were extremely helpful. These varied works, previous reviews, and reports detailed all that has been going on and all that we want going on with citizens with significant disabilities who could benefit from community integrated employment. Available national documentation of every states relative performance, and Kansas's performance in particular were also analyzed. The comparative findings were clear: many persons with disabilities routinely employed in many states are not so routinely employed in Kansas.

This reality of less than adequate numbers of Kansans with disabilities employed is despite almost countless current and former attempts, pilots, grants, and initiatives.

To name some that were analyzed: Kansas has an Employment First decree from their Governor, innovative pilots like Project Search in ten different communities, a SSI Social Security Pilot, Business Leadership Networks, Systems Change Grants, a Disability Employment Initiative, the KANSASWORKS employer partnership, a new End-Dependence Kansas initiative, the Great Expectations Initiative from Vocational Rehabilitation, a Supported Employment Grant, Managed Care Employment Initiatives, one to begin April 2015 from United Health Care, and additional knowledge and resources covering federal policy changes coming from the Centers for Medicare and Medicaid Services Final Rule, the Workforce Innovation and Opportunity Act, including Rehabilitation Act revisions.

Not all that was required by the Kansas Employment First Committee, but some data on the performance of Vocational Rehabilitation and the overall disability system is found through the 2013, 2014, and 2015 Employment First Committee Annual Reports and by reading numerous other state and federal documents. One of them, the current 1915 (c) waiver and the revised version is the major funding source for persons with developmental disabilities in the Kansas Managed Care initiative, known as KanCare, and is available on the CMS website.

Findings

The following thirteen findings came from a review of available documents, scheduled interviews with key stakeholders, national and state reports, and best practices information relative to the employment of citizens with developmental disabilities. Future deliverables will contain information gleaned from the six community stakeholder meetings scheduled throughout Kansas, three workgroup meetings with government, advocates, and providers, an analysis of potential short-term and long-term revisions to policies, rate methodologies, waivers, regulations, an analysis of multiple funding and support structures, a system design roadmap, an analysis of disability services funding models, and further technical assistance.

A determination was made to not rehash every finding, differing points of view, data compliance result, less than hoped for cooperation, and the potential causes of less than should be expected employment outcomes of persons with disabilities in Kansas. Instead, the most salient findings or points were gleaned from an analysis of the projects, processes, and initiatives below. These should be viewed as examples both qualitative and quantitative research that give an overall perspective to the current employment situation for persons with disabilities in Kansas.

1. The Great Expectations Initiative (GEI) through Vocational Rehabilitation, is an example of the results of many Kansas initiatives. GEI was a demonstration project that involved 192 people with developmental and intellectual disabilities that resulted in just 18 persons becoming employed. The GEI demonstration project had less than a 10% success rate on his or her job to the extent that successful Status 26 VR Closure was reached.

2. Another, The KANSASWORKS Employer Partner Incentive put out \$500,000 in taxpayer money in 2012 to pay employers \$2000 to \$3000 to hire persons with disabilities and by December 2014, only \$15,000 had been given out to employers hiring six people total.

3. According to the Minority Report written by the State Vocational Rehabilitation (VR) Director in January 2014, one incentive available since 2011 for employment of persons on the waiting list for HCBS waiver eligible persons with developmental disabilities was VR's willingness to financially participate in his or her plan of employment services. VR encouraged participation with the understanding that the person would continue in HCBS waiver funded follow-along support. But, fewer than 25 people participated over the past three years.

4. The number of citizens with developmental disabilities served in facility-based non-work activities in Kansas have increased 8.3% since 2012. This type of facility services may be considered to have an "isolating effect" and be at variance from the

new Medicaid Final Rule and subsequent Centers for Medicaid and Medicare Services Guidance.

5. Another example of less than hoped for outcomes despite expenditure of taxpayer resources was 738 persons receiving an average of 25 hours of job coaching each with a VR payment of \$34 per hour, that resulted in only 16 of the 738 participants closed as successfully employed by VR, according to the State VR Director's Minority Report.

6. In June 2014 the Kansas Department of Children and Families Rehabilitation Services paid for a study by PCG to evaluate, analyze, and provide quality assurance guidance. Some key findings were:

- a) Two-thirds of the authorized rehabilitation agency providers in effect do not provide rehabilitation services reimbursed by the State of Kansas, as they receive little, between \$25,000 and zero revenue, from Vocational Rehabilitation per year.
- b) Of the individual agency rehabilitation service employees in Kansas, most provide but 14 hours per week of services, far less than the number of hours per week of billable time which is customary and ordinary for Supported Employment/Customized Employment Services, or fulltime employees providing rehabilitative supports and services.
- c) The PCG study found that most of the direct service staff providing rehabilitation services in Kansas have a high school education or less than five years experience, and make between \$13.84 and \$15.40 per hour. This hourly amount of salary found in the PCG study was higher than reported by all experienced Supported Employment providers in Kansas who said most of their employment specialists earn between \$9.00 and \$11.00 per hour, and that it is not uncommon to have annual staff turnover between 25-35% per year. Many have reported an annual staff turnover rate of 60%. (S. Hall Kansas field research to date.)

- d) The average hours per week of services for persons in Supported Employment reported by providers does not correspond to the number of hours of services State Vocational Rehabilitation anticipated when they constructed the payments for Supported Employment with a milestone/benchmark payment system. The expectation was for persons with disabilities to receive some pre-conceived amount of service hours, but the result was persons receiving fewer hours of services than anticipated (about one hour a month) although the providers still received the milestone payments. The data is not currently publically available to determine the number of hours of services provided or how many providers received partial milestone payments less than \$4500 total.
- e) Only 15 providers of rehabilitation in the State of Kansas receive greater than \$100,000 for integrated employment services, meaning for all intents and purposes, that only a few Kansans fortunate enough to be near one of these providers have the opportunity for employment services. This likely means that persons with disabilities have few or no choice of community integrated employment providers in the area where he or she lives.
- f) The number of mental health organizations in the entire state of Kansas that even responded to the PCG inquiry was but 14. For most intents and purposes relative to the need for supported and customized employment services for Kansans with mental health needs, supported and customized employment services does not exist to the extent needed. Only 11 of the 26 CMHC use the evidenced based IPS Supported Employment model.
- g) Two out of three persons providing rehabilitation services hold no individual credentials or certification of authorized training of any kind and most make \$11.08 per hour. This per hour wage is equivalent to the 1968 federal minimum wage of \$1.60.
- h) The PCG study found most Rehabilitation Counselors, the persons that authorize employment services in Kansas make \$14.64 per hour, about \$30,000 per year. This is the 1968 equivalent of \$2.00 per hour. To compare, most Rehabilitation Counselors in Nebraska are paid \$53,000 per year,

\$23,000 per year more than what most Rehabilitation Counselors are paid in Kansas. Many others have said there are too few Rehabilitation Counselors employed in Kansas and that vacancies due to turnover are common.

- i) People are paid 28% more to deliver individual rehabilitation services as a provider if they live in or near Wichita, when compared to the rest of Kansas.

7. Transition aged youth with mental health needs have received opportunities for employment far less than many had hoped. Providers of services reported that VR has a self-imposed policy to accept transition age youth 18 months prior to graduation, rather than at age 16. Many providers said that it was in reality 6 months prior to graduation before VR involvement.

The average person in the United States who is eligible for VR services spends greater than 700 days in various statuses once deemed eligible, most not in a real job, before case closure. Over the length of this project additional information concerning citizens with mental health needs will be sought. It is not known what the average length of time between being deemed eligible for VR services and VR case closure as successfully employed is for Kansas youth with mental health needs, or if every Community Mental Health Center in Kansas has a contract with VR to provide one the most evidenced-based and effective psychosocial rehabilitation services, Supported Employment. If this is not widespread, then it is likely that the primary mental health treatment modality will be pharmacological at substantial cost to taxpayers as State's take advantage of the Medicaid pharmacy rebate program.

8. Vocational Rehabilitation pays \$34.00 per hour for Supported Employment but routinely authorizes only about a \$1000 worth of hourly dollars in addition to the \$4500 in total milestone payments, and only for those who have completed every milestone. This method of Vocational Rehabilitation payment is in effect a cap of about 130-140 hours in a best-case scenario. This amount is less than the average

number of hours authorized that has proven to achieve good Supported Employment outcomes in other states.

9. Following the less than adequate Vocational Rehabilitation investment, Developmental Disabilities through the Medicaid waiver funds support and follow-along services at \$12.00 per hour, less than one-third of what is needed to warrant the Vocational Rehabilitation investment. The combination of less than expected hours of services delivered under the milestone payment system, coupled with only \$1000 additional hours of on site job coaching authorized by Vocational Rehabilitation, coupled to follow along funding to providers so low that it is likely persons *providing* the ongoing follow along supports make minimum wage themselves, or a few dollars more at best, creates an undesirable employment situation for all involved. The latest Employment Oversight Commission Reports have findings from Butterworth, Hall, et al. (2015) *StateData: The National Report on the Employment Services and Outcomes*, that show employment success for citizens in Kansas getting worse instead of better since the Employment First Kansas initiative was launched.

10. Looking forward, KanCare, a Medicaid managed care initiative, is projecting to serve fewer persons with developmental disabilities over the next several years, reducing capacity, instead of serving more persons who have been waiting for HCBS waiver services for years. (Kansas latest 2015 (c) waiver submittal available on the Centers for Medicaid and Medicare Services website.)

11. Projected use of Supported Employment services in the new Medicaid waiver would mean that under managed care fewer persons would receive the support he or she might need to gain and maintain a real job in the community, to become less taxpayer dependent by becoming a taxpayer him or herself. There has been a marked and recent decrease in the number of person with disabilities working in Kansas and a significant increase in persons with cognitive disabilities living in poverty according to the National Report (2014) by Butterworth and others.

12. There is no recognized definition of what is considered a good integrated employment outcome. For example, there is not an expectation that persons participating in Supported or Customized Employment work an average of xx hours per week, at or above minimum wage or better, or that persons not working but considered “in supported employment” not be counted in supported employment data. There is not an expectation that young persons exiting schools will leave as employed young adults in a job near his or her place of residence. Providers have pointed out that the most immediate quest after graduation is a group home placement, not employment at a living wage.

13. Kansas spends more total dollars (day and residential) and gets fewer meaningful outcomes for its citizens with disabilities when compared to similar states. The Kansas community employment participation rate and investment is nearly four times less than the average American state, in the bottom five, Braddock, 2013, *State of the States in Developmental Disabilities*. The exact same citizens are eight times more likely to be in an integrated community job and paying taxes, if he or she lives in Nebraska, a state with a similar per capita investment in total disability services. The three-year trend data from Braddock, *State of the States in Developmental Disabilities* show the current situation in Kansas as unchanging.

Despite numerous initiatives, communications, meetings, conferences, and stakeholder opinion surveys, the performance, the lasting employment outcomes expressed through various pronouncements and plans of government officials and providers of services currently functions in reality and tragically to maintain the status quo of weak employment outcomes despite substantial effort.

Taking the Long Overdue High Road to Success

A long time ago a wise person pointed out that you can't get an adult to do something that they really don't want to do. Shaming, showing miniscule results and data in comparison with other states that get superior outcomes while spending

less, doesn't inspire. No one takes criticism well, will become defensive, and could result in a he said/she said, agree to disagree, let's criticize the data, point counterpoint scenario, benefitting no one. Kansans who truly care about citizens with significant disabilities have spent years discussing different points of view, while the needle on employment outcomes in Kansas has swung backwards.

The Employment First Committee Reports and the Vocational Rehabilitation Director's dissenting letter are but one example of nearly countless private and public exchanges that have gotten us little progress, effectively neutralizing the potential employment success of citizens of Kansas with Disabilities. Despite this, most recognize the Employment First Oversight Commission Reports, 2014 in particular, to the Governor and the Kansas Legislature as extraordinarily useful and truthful. These annual reports give the most succinct assessment of the current employment situation with potential remedies, although as with all studies the devil and potential for significant improvement is in the details.

Please again note this deliverable one is but an analysis of the current situation, the first of many steps leading to an Employment Systems Redesign Roadmap. Without question, this initial analysis of the current system of supports and services for persons with disabilities is the most alarming, negative, and challenging to hear and write, while the actual recommendations that will be contained in suggested policy revisions, new funding models, and the roadmap for success will be reassuring, proactive, and possibly delightful to many.

There's simply a lot of work that needs to get done if citizens with significant disabilities in Kansas are going to get the same opportunities that other similar citizens get in most other states, and it must start with state officials, in particular Medicaid and Vocational Rehabilitation, bending over backwards together to move Kansans forward. Another uncoordinated unilateral initiative by a single state agency isn't needed. It is past time to change how the bulk of Vocational Rehabilitation and to a greater extent Medicaid dollars are invested.

Many fellow Kansans, providers, government officials, advocates, and parents are suggesting some very beneficial and pragmatic changes, and have likely been doing so for many years.

Current Stasis

First state in the nation to adopt an Employment First Policy, Kansas, has formed good committees of good people whose good intentions and professional excellence were not as supported by government officials as most would have hoped.

Government officials have routinely not complied with the simple requests for data and information regarding what they are doing and what results are they getting in accord with the Kansas Employment First Policy.

In addition to the Employment First Committee there have been numerous public and private meetings, some led by out of state consultants, seeking input from just about everyone. Unfortunately this extensive and good intentioned groundwork has led to less than hoped for progress in ensuring citizens with significant disabilities choose, get, and keep a real job. Despite so many truly positive employment initiatives, like Project Search, an internship program that has had much success securing employment in health care settings for youth transitioning from public education in Kansas, the current policies and funding mechanisms tend to support the congregation, separation, isolation, and sustained poverty of Kansans with disabilities.

Kansas's disability public policy is controlled by a strong politically-engaged system of workshop, day center, and group home providers. Those who operate workshops likely pay people with disabilities less than similar persons could make in integrated community employment. The economic viability of workshops, day centers, and in particular residential group homes, and the long-standing administrative leaders of such enterprises are all secure in the current system that spends nearly a half of a billion dollars for such physical plants, the administrative overhead, and services. Some families of persons with developmental disabilities are reassured after getting

a group home for their beloved son or daughter after public education. They may accept immediate placement in a day center or workshop to go along with the group home placement more out of convenience instead of careful examination and knowledge. Parents may not realizing that the most critical things they seek for their adult child: health, safety, and life time of well-being often occurs through having a good job in he community.

Of the approximately \$490 Million reported as (Medicaid services and supports payment data reflects payments of approximately \$370 Million.) spent annually in Kansas in state and federal taxpayer funds on behalf of persons with developmental disabilities, but \$4.3 million is spent on employment, less than 1%. For all intents and purposes, disability services in Kansas look just like they did 30 years ago in Kansas and in most places in the United States back then—pockets of excellent providers succeeding in getting persons with significant disabilities real jobs in their communities, such as Cottonwood today, in spite of policies and funding mechanisms that work against success. While many states have moved on, into a future of community employment through Supported and Customized Employment methodologies, Kansas has changed little over the past three decades. There is strong evidence that Kansas investment in the employment of its citizens with disabilities two decades ago was double current investment.

The 2014 Employment First Oversight Commission Report effectively chronicles all related employment efforts and it must be noted that the current state of employment for persons with Disabilities in Kansas is not for the lack of trying. Repeated and well thought out plans, forays into the community for public opinion, best practices conferences, and great staff training have attempted to breakthrough the logjam of congregated and segregated services. The fact remains that most citizens with disabilities spend their days only with their own kind or persons who are paid to be with them in day centers, workshops, and group homes. The best efforts of true disability professionals and advocates whose work is to move Kansas into a new era of evidenced based services, such as Supported and Customized

Employment continues unabated and this Systems Redesign Project is but the latest of many previous, some excellent, efforts.

For example, the Employment First Oversight Commission 2014 Report to the Governor and the Kansas Legislature states:

“Makes the following recommendations in an effort to support...employment outcomes contained within the KanCare managed care contracts...increases in net personal income, private sector employment....decreases in number of Kansans living in poverty...as an outcome of the Managed Care Contracts.” p.1.

These laudable calls to include employment outcomes in the KanCare managed care contracts are contradicted with the new Kansas Medicaid waiver application, which projects no growth in citizens receiving supported employment, no new service options that can really help Supported and Customized Employment efforts. The new waiver seems to copy the old budget and projections with no growth in the number of citizens working, even in year five. The new Medicaid waiver application projects hourly payment rates to remain at \$12 per hour for employment specialist services, arguably the lowest in the nation, making it next to impossible for providers to hire high quality staff, end staff turnover, and produce employment outcomes. Note: \$12 per hour is the rate of payment for Supported Employment that Illinois had 33 years ago.

The Employment First Oversight Commission found that due to the lack of cooperation, working together, and compliance with Kansas Employment First requirements by Kansas state government officials and agencies, 13 objectives that tie to the Kansas Scorecard did not meet the national employment first standards. Simply put, government officials, while sometimes professing agreement with the laudable goals of Employment First, are doing less than what's possible to shift the investment away from congregate, segregated, preparatory, and other services and supports that have an isolating effect on these vulnerable citizens with significant

disabilities. And, they are not complying with the data reporting requirements as described in the Kansas Employment First Act, described as the foundation requirement of this initiative at the first Kansas Employment First Summit in 2012.

Said another way, almost every critique or criticism of Kansas governments investment in the employment of citizens with significant disabilities can be rebutted in some fashion by numerous (endless) time-limited initiatives and examples but one: the amount and manner that providers are funded by state agencies to ensure the long term and financially meaningful success of citizens through customized and supported employment is abysmal, with relatively little investment when compared to those states, like Nebraska, that succeed, in helping their citizens become working and taxpaying citizens. Kansas current investment in Supported Employment is three million dollars less (unadjusted for inflation) than what it was 21 years ago, in 1994, Braddock (2013) *State of the States in Developmental Disabilities*.

Doing Things Differently for Different Results

The 2014 Employment First Oversight Committee said, “Kansas needs to adjust the way employment and support services are funded...Funding should be coordinated and adjusted to focus efforts to dramatically increase the numbers of Kansans in integrated and competitive employment.” p. 2

The Employment First Oversight Committee is right, Kansas must change *the way* employment support services are funded *and* the amount of money shifted from non-evidenced based legacy services, known as sheltered workshops and day activity centers. These segregated facility resources in many states have been reallocated to Supported Employment, Customized Employment, and Community Access Services. This is about too much money going to congregated and segregated services and not enough going to integrated employment services. Potentially this may represent fertile ground for a United States Department of Justice segregation lawsuit based on *LC v. Olmstead*, USC (1999), similar to *Lane v. Kitzhaber* (2012).

Lane v Kitzhaber is a pending class action lawsuit against the state of Oregon in which the Plaintiffs claim the state has violated Title II of the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act, which require individuals with disabilities not receive services in segregated settings such as sheltered workshops and day centers.

While providers must be paid for the cost of services, what is termed “reasonable” is the purview of the state. This means states can, and Kansas should, develop guidelines for reasonable costs allowed for every service and this information should be used to construct new rates. New rates should be based on what results we want to happen, not on what is going on now, the current limited service options.

To state this as clearly as possible, a cost analysis is necessary to ensure equitable rates and individual resource assignments based on need that guarantee that most of the taxpayer’s resources actually go to those persons providing the direct services and supports, with a fair and reasonable amount of the rate going for administrative overhead, other costs, provider agency fund balances, and profit. Specifically:

- 1) More of the overall funding for persons with disabilities in Kansas should be directed to employment and;
- 2) The money directed to employment should be used to significantly increase the rate of payment to providers of supported and customized employment and;
- 3) Of the money used for the rate, more should go to persons who work directly on behalf of citizens with disabilities.

The amount of money spent on day services, pre-vocational services, and sheltered workshops could be reduced by an initial amount the first year, and at a lesser amount per year for years two, three, and four, while adding every dime of these service dollars to services that support integrated community employment, turning persons who are taxpayer dependent into taxpayers themselves. The amount of money currently going to residential services providers could be reduced by less

costly and more integrated residential service models, adult foster homes, individual apartments, and supported living, to significantly reduce the waiting list. But, any reduction in payments for operating group homes is likely to be vehemently and successfully opposed. Reduction in payments to community residential providers, usually group homes, is not recommended.

There is no need, nor is it warranted, to remove any of the current funding going to providers, instead, funding should be moved and when possible added to ensure no one with a significant disability is being denied services by waiting for services that may not occur before they die. This is particular critical in the need for the psychosocial rehabilitation services known as Supported and Customized Employment as alternatives to and in combination with pharmacological approaches for citizens with mental health needs.

From a Provider-centered system to a Person-centered system

What is needed is a significant rebalancing at the state department level, of Vocational Rehabilitation and Medicaid state-matched federal resources, and at the provider level, *away from* services and supports where people with disabilities, live, work, and receive services together, *toward* more cost-effective and outcome-based individualized living, employment, and community access services. Persons with disabilities should not have to live or be in a particular facility, for the disabled only setting, building, or group home residential living arrangement to receive the services they need. Persons with disabilities who receive services shouldn't be able to look around in the setting where they receive services and almost without fail see other persons with disabilities similar to themselves. A service is not a place.

On the subject of *the way* employment support services are funded, Kansas could consider becoming a person-centered state rather than a provider-centered state by self-directing 100% of all services and supports. This has been termed a natural American way of doing the business of human services as it is accomplished in every

other walk of life, an exchange of money for goods or services that meet the buyer's expectations. This directs the power of the purse into the hands of persons with disabilities themselves and their families and away from the control of government officials, managed care corporations, and providers of services.

Good providers of services will not oppose this change, as people with disabilities will choose (and can only choose) providers who have the skills and abilities to deliver good outcomes. Self-directed services must include the option of choosing providers of services. Unsatisfactory providers will likely oppose such change, as families and persons with disabilities may choose to have their money for services going to a provider who can deliver beneficial outcomes.

A Complement to Endependence

The latest employment related initiative is Endependence. This initiative promises \$25,000,000 to get 2000 people jobs and this means that the per person cost per job is:

$$\$25,000,000/2000=\$12,500 \text{ per person per job.}$$

The current customary and ordinary VR cost in Kansas to get someone with a developmental disability a job is \$4500-5500. But, if a similar \$12,500 in state/federal VR match funding per person were given to providers of services the average rate of payment to providers could be as high as \$62.50 per hour, not the current rate of \$34.00 per hour. This would allow the average employment specialist in Kansas to make a salary of \$52,500. Ongoing support and follow-along costs for per person annually would be about \$5000 @ the \$62.50 rate. The current rate is \$12.00 per hour, but many DD providers draw down the full annual day rate.

An Alternative

The above complementary scenario would certainly get 2000 people with significant disabilities jobs over five years, such as persons with developmental or intellectual disabilities and persons with chronic and persistent mental health needs, persons with such significant disabilities that supported and or customized employment would be needed. [Note: No one has said how much of the \$25 million dollars will actually go to providers of Supported and Customized Employment services in the Endependence initiative. The above scenario assumes 100% because they are drawn down as case service revenue, not administrative.] But a little more judicious use of taxpayer money could increase the number of persons getting a real job in the community by 50% to 3000 simply by reducing the VR payment rate to providers to a more reasonable \$41.50 per hour, making the ongoing support and follow-along costs to DD and BH about \$3500 per year instead of \$5000.

What may have been needed all along was for Vocational Rehabilitation to authorize an average of, for example, 200 hours instead of 30 hours on the back of the milestone payments, and consider abandoning or changing the milestone payment plan. This would increase the per person cost to \$8300 from \$5500 average per person on the VR side for one year and actually reduce the costs on the DD Medicaid side by approximately \$6000 per year annually and forever, throughout the person's working life, a substantial taxpayer saving. Additionally, the government would realize new revenue from the taxation of the person with a disabilities' earned income.

The Endependence program, like other previous Kansas employment initiatives is not a bad idea, in fact it's a very good idea to fully match any available federal funds in order to bring back the federal taxes that have been paid by Kansas taxpayers, but it's an idea that could be modified to ensure some persons with significant disabilities who need customized or supported employment could benefit equally. We need to now consider, in future deliverables over the next several months of this project, all the new possibilities and changes, including a new individual allocation

and new rate methodology that are necessary to bring Kansas significant employment successes annually, focusing on integrated community employment.

A Final Comment

The willingness and capacity of providers of services in Kansas, people with disabilities themselves, advocates, and the State of Kansas desire through its departments of government, Vocational Rehabilitation, Education, Developmental Disabilities, Behavioral Health, and Medicaid for citizens with disabilities to work in integrated competitive real jobs in the community has not materialized despite best intentions. There is no good reason, not financial, not provider capacity, not the general economy, not anyone's unwillingness or lack of information that has caused stagnant and declining employment success.

There is no reason at all for Kansas not being the very best in the nation in ensuring persons with disabilities are employed in their communities, except a history of unilateral and uncoordinated employment financing and implementation efforts, and declining permanent service system investment in integrated employment. There is little question that Kansas can benefit from the future project deliverables, a simple to use rate methodology, revisions to policies and practices, and a road map of changes to give citizens with disabilities the living the promise of Kansas being the first state in the nation that put Employment First. The taxpayers of Kansas, people with disabilities and their families, and providers of services deserve a stable system of funding services and supports that works everyday. That is, a system that taxpayers and providers of services can invest in, one they can count on.

**Missing Tools for Efficient and Effective
Employment for Persons with Disabilities in Kansas**

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This is an analysis of needed changes to current policies and funding to ensure Kansans with Disabilities receive employment supports and services efficiently and effectively. The goal is for every Kansan possible to receive the supports and services necessary for him or her to become employed in a real job alongside other citizens in the community, to become working taxpayers, to make a living wage, to lessen dependence on government supports and entitlements. The following will ensure “the juice is worth the squeeze,” that supports and services are cost effective and beneficial, that they significantly reduce costs that would otherwise be born by taxpayers, expenses taxpayers are already paying because too few people with disabilities who want to work and can work are working.

This is **Deliverable Two: an analysis of changes needed, answers, to redirect taxpayer resources to integrated employment outcomes.** These changes will move persons who can and want to work out into the mainstream of working American life. While these analyses will include changes to current services, what is strikingly evident is Kansans with disabilities, their families, the providers of services, and state officials are missing services commonly used in most states to prevent unintended service cost overruns. Glaringly missing, is full implementation of participant direction, commonly known as Self-directed Services for Persons with Disabilities; this Missing Tool #3 in this Analysis is discussed extensively.

This analysis includes substantial time, effort and rationale to make the case for Kansas to modify every waiver, nearly every Medicaid service, create new and

extensively revise an existing residential waiver, and add a new state plan amendment. These changes would allow persons with disabilities and their families to self-direct their services, to decide who will provide services and who will touch their son or daughter with a disability.

It is critically important that Kansas not make the mistake of assuming that the decision to move services and supports, including long-term care supports for persons with developmental disabilities, under managed care means the state has turned the waivers or state plan amendments over to managed care corporations. It is true that moving funding to managed care will allow increased flexibility in how waiver and state plan amendment funding may be used, but the funding source remains federal and state match funding through waivers and state plan amendments. Kansas is encouraged in this analysis to make extensive changes to these waiver and state plan amendment Medicaid vehicles, to give the managed care corporations, the providers of services, and particularly persons with disabilities and their families more flexibility, including new services.

It is not the case that Kansans taxpayers are investing too much or inadequately in the lives of citizens with disabilities (Kansas ranks 27th among all states in fiscal effort, Braddock, D., Hemp, R, and others (2013) *State of the States in Developmental Disabilities 2013*, The American Association on Intellectual and Developmental Disabilities). A problem in Kansas is a good investment in some areas, like residential group homes, while investing very little in supports and services that foster independence and the need for less taxpayer support, like customized and supported employment. Kansas invests less than one-third of the average state in integrated community employment (Braddock, 2013).

The most fundamental change facing the systems that provide services to persons with disabilities in Kansas is not financial as is commonly believed. It is a significant shift in federal policy through the Medicaid Final Rule and the Workforce Innovation and Opportunity Act. What formerly passed as worthy of taxpayer investment in

the United States (\$56 billion annually) and for Kansas (a half billion dollars annually), working on goals and objectives in a disability specific facility, program, or home, has changed. These new laws are requiring a community orientation based on outcomes, results. This means citizens should be learning how to become more independent and interdependent in the context of a life shared with all Americans, and specifically now by law, not in environments that have an isolating effect, potentially day centers, sheltered workshops, affirmative industries, enclaves, mobile work crews, etc.

The notion of successfully completing individual objectives from a written plan of services, while remaining out of the context of the living and working life enjoyed by all Americans because that's what the state pays for, is found inadequate and has an isolating effect on persons, in potential violation with the expenditure of both federal Medicaid and Vocational Rehabilitation taxpayer resources (Federal Register Volume 79 Number 11 (2014, January 16) Part II Department of Health and Human Services, Centers for Medicare and Medicaid Services, 42 CFR Part 430, 431 etal. Final Rule.)

The growth in residential supports and services, almost exclusively group homes in Kansas, has been with the best of intentions, to ensure Kansans with developmental disabilities in particular, are not served in even more costly and ineffective institutional settings, such as state operated Institutions and nursing homes. And, while Peter should never be robbed to pay Paul, an analysis of needed employment changes cannot be divorced from considering how community residential services could be provided with more efficient options, additional choices for people with disabilities and their families to consider. Kansas has done an excellent job protecting persons, providing safety and security when persons are asleep. It is past time to consider how to provide equally high quality employment and other related supports when citizens with disabilities are awake.

Missing Tool # 1: A new Supports Waiver for Persons with Developmental Disabilities and Changes to the Current Residential Services Waiver

Families, persons with developmental disabilities, residential services providers, and state officials in Kansas may be caught in an all or nothing approach. This all or nothing approach—you take care of him or her or we'll take care of him or her, may have created an unnecessary fiscal cliff in Kansas, where people get too few services and supports to keep him or her in a family home *or* they get residential group home services outside of the family home. When there's an opening in a residential group home, families are advised that they better take it, ready or not, because the wait has already been long. And, the person and his or her family waiting behind you and your family will surely jump at the opportunity of a group home placement if you don't.

Operating a Developmental Disabilities system by moving people with disabilities out of their family's home when there is an available opening, which may at first seem like a natural idea, may trap everyone into a very narrow and specific goal—a place in a group home. Lifelong employment may have become an after thought at best in 2015. It is an untrue "reality," that employment is mere wishful thinking.

That goal again—secure a group home placement—from the perspective of people with disabilities and their families is a safe and secure residence, throughout the remaining years of an adult with disabilities life, out of harm's way once the family can no longer directly care for him or her. Many Kansas families would say this is what they have been waiting for and, without question, securing a place in a group home is a worthy accomplishment. But it's importance is likely elevated due to Kansas lacking a more robust menu of choices for in-home, family, and community supports that are evident in states with two waivers—a supports waiver without out-of-home residential services and a residential waiver.

Families in states that have a supports waiver with a much broader menu of in home and community access services approved by the Centers for Medicare and Medicaid Services (CMS) have a more natural planned transition from the family home to the community, often putting employment first, ensuring one has a good job in the community. In states that have both a supports and a residential waiver the significant costs of a group home placement or other out of home residential alternative is eased until the person with disabilities and the family is ready.

From the perspective of providers, group homes are an excellent alternative to nursing homes or state operated institutions and they're correct. Residential group homes save taxpayers' money when compared to those more costly institutional alternatives. But residential group homes are built on economy of scale economics. To remain financially sound, it is necessary for group homes to remain at full capacity. Some persons, including some providers in Kansas, have said families don't carefully consider what happens during the day when their loved one is not in the group home.

It is often the case that persons with developmental disabilities in Kansas spend their days in a day center or workshop with other people who have a disability and their nights in a group home living arrangement with other people with disabilities. This scenario, with people transported on a bus together, running daily between the group home and the day center/sheltered workshop, with little community involvement besides group forays out and back to the day center, means people have little or no time to become a part of the community life of work, recreation, and living as do other Kansans without disabilities.

There are alternatives to this facility or center-based system in other states that Kansas should consider. It is also true that some providers provide supported employment, but when they do, it is often subsidized by other services they provide, fund-raising, donations, etc., because the rate of payment is too low to meet the costs of the service. In fact, 99.3% of all Medicaid Community funding for persons

with disabilities in Kansas is spent on something other than community employment. Kansas Medicaid must change to become an effective partner with Kansas Vocational Rehabilitation to comply with the Workforce Innovation and Opportunity Act of 2014 on behalf of persons with disabilities.

From the state officials' perspective, the group home placement may be considered as a job well done. In many aspects it is. While some states have persons with disabilities in state run institutions, nursing homes, board and care, or even potentially dangerous personal care homes, Kansans with developmental disabilities for the most part either live with their families or live in an adequately funded residential group home. Persons with behavioral health needs have less access to safe and adequately funded residential care, either nursing facilities for persons with mental health needs or residential care facilities.

Most states, while recognizing the value as Kansas does of having residential group homes as a part of the community residential services continuum, recognize group homes as but a part of many potential options. Other residential options could include: supported living, to ensure persons live with their families or other potential loved ones for as long as they wish; host homes, also know as adult foster homes, to ensure the person is in a family environment in a real neighborhood; supervised apartment living, and other independent living arrangements with needed security and support. Kansas ranks 49th among all states and spends 34 times less than the average state on supported living and personal assistance services, residential support alternatives to group homes (Braddock, 2013, *State of the States*).

The keys to making these choices possible, moving out of the family home only when the family so desires without fear of losing a potential future group home placement option *and* having many different residential services options once the time is right to move, is a second waiver, a Supports Waiver, missing in Kansas, that does not contain a residential component. A Supports waiver is used by states,

beginning in Colorado twenty-five years ago, to address the specific problem Kansas is facing: persons being given a dichotomous choice of either remaining with their families or moving to a group home when there's an opening. Colorado families then and now, as Kansas families then and now became totally focused on ensuring their loved ones are provided a safe place to live when families can no longer care for them. A secure and safe place to live throughout a lifetime is very important, rightfully so, but when it becomes the total goal, the end all focus, it can diminish the importance of a lifetime as an adult in the community where citizens with disabilities live, work, and participate as do other Americans.

Critically, it may trap people with disabilities into what has been termed a "Disability World" where persons live in a home he or she share's with many other people with disabilities and when awake routinely leaves to spend time at a government funded day center or sheltered workshop only with other people with disabilities, back and forth every day of the week, forever.

A Supports Waiver, a second 1915 (c) waiver, should be written and submitted that would allow persons with disabilities to remain in the home of his or her parents with needed support, while providing a natural, when the time is right, opportunity for persons to access a wide choice of residential option through a separate residential waiver. The Supports Waiver (without a residential group home component) should at minimum contain the following services in addition to those day support services currently within the Residential Supports waiver: 1) Self-Directed Services; 2) Financial Management Services; 3) Community Guide or Support Broker Services; 4) Supported Employment, including Customized Employment; 5) Community Access Services; 6) Goods and Services; 7) Education and Training Services; 8) Benefits Counseling Services; 9) An Exceptional Allocation and an Exceptional Rate Protocol; 10) Nursing Services; 11) Non-residential transportation services; and 12) Conflict-free Case Management. These services would not necessarily cost more. They could be paid for by rebalancing the current service spending.

Changes to the current 1915 (c) residential waiver should include all twelve services listed above, a provision to not allow the Self-directing of Residential Services or Nursing Services, and the following additional, not self-directed residential services options: Host Homes, Independent Living Services, and Supported Living Services. Note: whatever CMS approved platform Kansas chooses, 1915 (c) and/or (i), and/or 1115, or other, the foundation for successful employment for citizens with disabilities it should include these “missing tools,” these twelve CMS-approved services.

Potential Cost of Needed Changes: None, rebalancing of existing resources under managed care, or a legislature approved time-limited investment to assist in rebalancing all service and supports to more impactful less restrictive, and a less costly system of participant-directed supports and services.

Providers of services to persons with disabilities in group homes may fear and not support any idea that reduces group home reimbursement, that such rebalancing, even if relatively miniscule and with the assurance that every penny would remain in disability services, could signal to some that every dollar is not needed. Agreed, every dollar is needed and their potential concerns are not without foundation. Nothing in this report suggests that any funds should be removed from the disability system and in particular group home funding (It would be great if more funds were added as families, people with disabilities themselves, and their community providers save taxpayers a literal fortune annually when compared to institutional/nursing home costs of the not too distant past!), but without rebalancing day/sheltered/support services so that more of those particular funds are spent on integrated community supports, it is likely that employment services will continue to deteriorate and the overall disability system in Kansas will come under increasing scrutiny as a system that isolates at variance with the 2014 Medicaid Final Rule.

Rationale for each new Service:

Self-directed Services should:

- a) Increase the performance outcomes of Kansas's providers of services by giving people with disabilities and their families the "power of the purse" as citizens in our democracy and economic system use it in all other walks of American life. This means people with disabilities and families themselves will decide who in Kansas, among qualified providers, will provide services to their loved ones and whether that service or support is worthy of continued financial investment.
- b) Increase the numbers of choices, providers of services, by authorizing payments to providers based on that provider having the skills necessary to provide the needed service. This means individual providers who provide services to three or fewer people and discrete skills providers, such as an employer being paid to teach and train someone how to do a particular job, neither with a Medicaid number, can be paid to provide a Medicaid service via a Financial Management Agency who does have a Medicaid authorized number.
- c) This also means only persons who are qualified to provide a service would be authorized to provide services. Family members, relatives, and friends who do not have the specific skills, training, experience, and education to provide a service should not be able to be reimbursed by Medicaid for providing a service. Families having the "power of the purse" does not negate the fact that the money in the analogous "purse" are taxpayer resources coming from federal Medicaid that requires services be provided only by persons having the specific skills to provide the service. All families have a need for resources to lessen the costs of providing care to their children (the loss of income to families who have children with significant disabilities is well-documented) and persons with children who have significant disabilities are not alone with this need. Ordinary and customary caretaking, and sometimes extraordinary caretaking, is different from having the skill to provide supports and

services. Persons may be qualified by licensing, accreditation, certification, or as having the skill and community standing to provide such service if asked by other citizens. In some limited circumstances, this could be a family member.

- d) Decreases the costs and improves the quality of services as more of the payment for services would be the costs of the direct service personnel and less so the cost of administrative overhead, physical plant, operation, and maintenance.
- e) Significantly increases the quality of current providers of services as providers previously working at the pleasure and standards compliance of state government officials will additionally be working to ensure the pleasure and expected outcomes of their customers, people with disabilities and their families. Excellent providers of services are ensured that people with disabilities and their families will authorize expenditure of funds and payments to their organization, their business will grow, while other mediocre or substandard providers will likely see a decrease in business.

Financial Management Services should:

- a) Allow Medicaid payments to individual persons and businesses who do not have their own Medicaid Vendor number, but who have the discrete skills and experience necessary to deliver an authorized Medicaid service. The fiscal intermediary, the Financial Management Service, would be a contracted authorized vendor of such services by the State Medicaid agency.
- b) Collect FICA, disability insurance, issue end of year tax statements, and make payments to authorized providers within pre-authorized budgeted limits

Community Guide or Support Broker Services should:

- a) Not be connected to any organization or entity but is employed directly by the person with disabilities and/or his or her family and works exclusively for him or her.
- b) Locate qualified, willing, and able providers for a particular service or supports written in the person's individual plan of services.

- c) Construct an individual budget based on the person's individual allocation,
- d) Monitor projected budgeted usage, utilization management, via Financial Management Services monthly reports,
- e) Communicate needed changes, including a change in provider, to the Conflict Free Case Manager

Supported Employment/Customized Employment should:

- a) Be provided at a rate of payment based significantly on the salary of the direct support Employment Specialist/Job Coach
- b) Be provided at a rate to encourage providers to deliver Supported and Customized Employment services (\$42-\$52 per hour, not the current \$12 per hour) offer the person and families a choice of providers, and be adequate enough to ensure low or no turnover among Employment Specialists/Job Coaches
- c) Encourage advanced Customized Employment methodologies, including Discovery and Vocational Themes, and consumer owned businesses. Customized Employment is included by law in the Workforce Innovation and Opportunity Act.
- d) Utilize the individual placement model of Supported/Customized Employment only, known as IPS for persons with behavioral health needs, transitioning current enclaves/workcrews by dividing the rate paid for individual employment by the number of persons being supported at the site. For example, a \$48 per hour individual placement model rate becomes \$8 per hour if there are 6 persons working in the employment enclave at a business, or are members of a workcrew.
- e) Have a fiscally neutral individual hourly rate for support and follow-along services, meaning the Vocational Rehabilitation hourly rate of between \$42 and \$52 per hour and the Support and Follow-along hourly rate paid for through Medicaid funds are exactly the same and utilized transparently through a joint agreement as required by WIOA.

- f) Be routinely budgeted for between \$4000-\$5000 for ongoing support and follow-along costs annually, saving taxpayer's significant expense when compared to previous day center costs.
- g) Ensure persons work at prevailing competitive wages at a statewide average of 26 hours per week with most persons working at greater than 19 hours per week.
- h) Have staff development and training built into the individual rate at not less than 3% of the rate. Staff development and training must be outside consultants and training, out of state conferences, etc., to build Employment Specialist/Job Coaching skill and efficiency.

Community Access Services should:

- a) Provide community-based wraparound support access for persons to gain membership and participation in clubs, groups, associations, churches, and businesses as they are accessed by other citizens
- b) Be a viable alternative to facility-based day or sheltered workshop services
- c) Help citizens with disabilities develop increased social capital, access to the places, opportunities, attractions, and venues as are other citizens who do not have apparent disabilities
- d) Work hand in glove with employment supports to increase and support employment success
- e) Be a time-limited outcome/results based service that builds ongoing support capacity in clubs, groups, associations, and churches so that paid human service support is not continuously necessary

Goods and Services should:

- a) Provide limited individual ability to purchase one time annually goods that are essential but are not considered as self-employment start up costs
- b) Provide one time, infrequent, or irregular essential services necessary for continued competitive employment

Education and Training Services should:

- a) Provide limited individually determined education and or training services to community members, businesses, organizations, etc. directly associated with a particular person's employment or employment interest
- b) Cannot be used for education and training of human service personnel

Benefits Counseling Services should:

- a) Ensure a full understanding and accountable record of Social Security and other benefits to encourage compliance with all applicable rules and regulations
- b) Help debunk myths, myths about the loss of Social Security, myths about the loss of Medicaid health benefits, etc. and other reasons given that discourage individual competitive employment of person eligible for ongoing government support and benefits, in particular citizens with developmental disabilities and citizens with behavioral health needs.
- c) Work to ensure policy changes are made by the state to incentivize working and personal independence

Exceptional Allocation and Exceptional Rates Protocol should:

- a) Ensure persons with the most significant disabilities are given the exact amount of financing needed to provide effective services, including employment
- b) Make certain that provider's are reimbursed fully the costs of providing services to citizens who have the most significant challenges
- c) Ensure taxpayer dollars will be spent precisely as needed, ending a categorical and tiered financing system. Tiered funding financially rewards keeping persons in the highest paying possible tier.
- d) Dramatically increase safety and support for persons with the most significant disabilities, ensuring that every citizens, even those with extraordinary and expensive challenges, will have the financing to ensure his or her safety, well-being, and steady progress
- e) Reduce the use of pharmacological approaches and significant costs for persons with the most significant behavioral challenges

Nursing Services should:

- a) Stop persons with more significant medical challenges being served alongside others with significant similar needs and in facilities for persons with similar needs
- b) Recognize there is a significant difference between having a disability and a disease, thereby using nursing services only on an as needed basis instead of a constant facility or program basis.
- c) Open up the entire menu of waiver services, including employment, for persons with the most significant medical challenges, allowing each person to receive the nursing support necessary in any environment to access any impactful service, including self-employment through customized employment, while making certain any medical need will be met.
- d) Stop funding from being increased due to a categorical placement in order to receive nursing services, with funding now being increased only as needed for specific medical/nursing services in any environment, including the natural community employment setting.

Non-residential Transportation Services should:

- a) Locate transportation financing within the person's individual allocation and budget, independent from residential or day services
- b) Ensure transportation to and from the place or places of employment
- c) Be flexible enough to include public transportation with support and reasonable and economical payments to friends and family for the cost of transportation

Conflict-free Case Management should:

- a) Ensure services and supports delivered by providers of services go beyond providing services with the best intentions and caretaking, to services and supports, such as supported and customized employment that have a meaningful and positive impact, that ensure inclusion of citizens with disabilities alongside other citizens.

- b) Increase accountability through the authority to detach from services that are not working, to choose from among other providers those providers that deliver effective service and support outcomes.
- c) Approve of the plan of services, budget, and individual providers of services. Continuously monitor to ensure results, improvement, and lessening need for services and supports.

Missing Tool #2: A Universal Comprehensive Assessment of Supports Need, the Supports Intensity Scale (SIS).

A Universal Comprehensive Assessment of Need that follows and is an addition to any assessments used to determine eligibility is critically needed to ensure Kansas citizens with developmental disabilities have a basis for an effective plan of services and an equitable distribution of financing for supports and services. The SIS can assess each citizens support needs and is the basis for goals, objectives, and a sound plan of services. Citizens with disabilities too often receive a plan of services that is a continuation of the plan they had the year before, sometimes over many years the same or similar plan.

In Kansas, citizens with disabilities, including citizens with developmental disabilities, are currently being assessed with the interRAI, an instrument built to adequately assess the medical and nursing related care needs, primarily for persons who are aging and who live in nursing homes. Persons with developmental disabilities live in the community, are young, and are *increasing* their abilities, while citizens who are aging are trying to *maintain* their health and physical integrity as these decline, usually through home health care, assisted living, or nursing home care. People who are aging and persons with developmental disabilities require very different supports and services, very different personnel with very different skills, based on a very different assessment of need.

Kansas should consider whether too much of the resources spent on behalf of persons with developmental disabilities are being spent on and driven by the InterRAI assessment of medical, health, personal or caregiving supports typical for persons who are aging rather than employment, typical of persons of working age. The InterRAI corporation has a creatively worded way to say whether it is adequate to analyze the characteristics of person with intellectual or developmental disabilities or whether it should ever be used to create individual support plans of services for persons with intellectual and developmental disabilities:

“The interRAI ID is a minimum assessment for use by professionals supporting persons with ID. It is not simply a questionnaire for analyzing the characteristics of the population, nor does it necessarily include all of the information required to construct a support plan.” –interRAI online brochure.

The ongoing fiscal danger to Kansas of applying an assessment such as the interRAI to persons that have a disability, not a disease, not a medical condition as would be the case of someone who meets PASSR criteria to be admitted to a nursing care facility, is the catalyst it may be to “medicalize” service and support needs, to significantly drive up costs of services that could be accomplished far less expensively with far better results using developmental, rehabilitative, habilitative, and psychosocial methodologies such as supported and customized employment.

The SIS, a reliable and valid comprehensive functional assessment of support needs, was built to assess the amount of support the person needs in frequency, time, and duration—intensity—allowing the annual assessment of the effectiveness of the previous year’s plan of services. Not surprisingly, the SIS includes an entire section on the assessment of Employment needs.

In addition to ensuring an individual plan of effective services based on each person’s exact needs, the Supports Intensity Scale has been successfully used by States for the equitable allocation of taxpayer resources. It can be used in Kansas to

ensure each citizen is assigned the amount of resources necessary relative to other citizens who have similar need for resources. Too often citizens with disabilities are allocated resources based on when they entered services, how much money was available at the time, what the amount of payment to a particular provider has historically been, what the slot or opening in a particular program has historically been paid, where they fit into one of five funding tiers, what his her disability label is, or what the evaluation used to determine eligibility (not actual needs) found. This current system in Kansas means that persons with the exact same needs may be allocated taxpayer resources that are far greater or far less than similar citizens with the exact same needs.

The SIS remedies this inequitable distribution of state and federal funds problem and may be confidently and effectively used to determine individual support needs, to write an excellent plan of services, and to allocate a fair amount of resources to persons with developmental disabilities based on each person's exact needs. About 7% of persons with very significant behavioral health and or medical needs may not have his or her needs for services and the fair allocation of services effectively assessed by the SIS. This is due to limitations of the SIS in determining extensive behavioral health and or medical support needs. For this reason the SIS is often supplemented by an additional Health Risk Screening Tool (HRST). For these persons, about 7%, the Exceptional Allocation and Exceptional Rate protocol is used to annually assign the exact amount of services and supports at the provider's individually determined and authorized costs. It is expected that about 7% of persons with the most significant disabilities, while small in number, will need about 15% of the entire amount allocated for services in the state, with 93% of persons utilizing the remaining 85% of available resources.

Missing Tool # 3: Separation of the Individual allocation of taxpayer resources based on individual assessed need from the rates paid to providers based on the actual cost of the service the provider is delivering.

In combination with an Individual comprehensive assessment of supports need, Self-Directing services, including all employment related services and supports would bring accountability and more efficiency. A key to effective self-direction is having each person's individual allocation based on his or her needs relative to others. This individual allocation of funding for services based on relative need *before assigning services* acts as an individual budget cap, thereby insuring a fair distribution of resources base on individual need and protection for State Medicaid and the managed care corporations against budget hemorrhages. Individual capped allocations, based on need, fairly distributes state and federal funding for services in a reasonable and actuarially sound manner, preventing unanticipated cost overruns by the state and state Medicaid budgets.

Within the total amount made available by the government for these purposes, persons with greater assessed needs relative to others are allocated more funding to purchase services; persons with lesser needs are allocated fewer funds. It ensures that states efficiently and economically use federal funds, a Medicaid requirement. It lessens the complexity of managed care oversight, translates easily to monthly utilization management reporting, and insures against the loss of real direct services revenue.

Kansas, like many states, currently combine the person's allocation of services with the rates paid. This means that the taxpayer's cost for services is contingent upon which service category or tier the person is placed in. The taxpayer payment for services is not based on the provider's exact cost of services. This method of payment incentivizes placing persons in the tier of services that a. Pays the most; b. meets most the person's needs but not all, leaving some needs unmet; c. Puts the person in a tier of services that contains the cost and expenses for services and

supports the person doesn't need in order to get the services the person does need; d. In practice, locks the person into a particular tier or service category, e. promotes overpayment of taxpayer Medicaid funds for services by incenting providers to fill positions at the lowest costs possible to widen the gap between the rate of payment and the actual cost of the service, f. Encourages payment of Medicaid funds for services not rendered, as in ongoing follow along support in supported employment that pays for hours worked, even if the provider gives few or little support.

The 3rd, 8th, and 9th Federal Circuit Courts have weighed in and ruled that payment *rates* [emphasis added] must be based on costs (not assessed need), while the individual allocation of resources is based on each individual's assessed need (Perkins, Jane (2000) Assuring High Quality Home and Community-Based Care Through Medicaid Reimbursement Provisions, National Health Law Program.) This individual allocation of funding based on assessed need is the total amount of funding reasonably expected to be needed for the year. This individual allocation is the amount that makes up the bottom line of the person's individual budget, apriori, before services and supports are chosen.

One of the best, most taxpayer economical and simple to understand methods to fund services and supports for person's with disabilities is to first allocate funding for services based on individual assessed need, with persons who have greater needs receiving a larger allocation and persons with less assessed needs receiving a smaller allocation and separately set rates based on allowable provider costs. Providers who pay more for direct personnel that deliver results and have low staff turnover experienced staff, have good benefits, receive higher rates for the same service, while other provider's who pay poorly or have extraordinarily high administrative overhead get paid less per hour.

For all services and particularly employment services, for Kansas, it is best to replace the tiered Medicaid rate system and the Vocational Rehabilitation milestone payment system. Providers should be paid an hourly rate for individual person-

specific services (not always face-to-face). The extensive background and logic details of how to construct a individual allocations based on needs and fair and equitable individual provider hourly rate based on costs is beyond the scope of this Deliverable Two and will be shown thoroughly in the Deliverable that follows as a part of this project. Suffice to say at this juncture, an average hourly investment (provider payment) for the billable work of an Employment Specialist/Job Coach would be between \$42 and \$52 per hour in Kansas, with the assurance that greater than two-thirds will be used for that person's salary.

The conundrum that remains, to be discussed and resolved in a future deliverable for this project, is the problem that States including Kansas have, and those that help states, in setting reliable and valid rates or payments. Most are typically unable to answer very simple questions: How was the rate calculated? What is the rational mathematical justifiable reason for paying \$44 per hour rather than \$28 per hour, or of paying a \$1000, \$1500, or \$2500 for a particular milestone or performance payment through Vocational Rehabilitation, instead of \$1250, \$625, and \$3000? How do you set reliable and analytically defensible rates for new services, services that have never been delivered in Kansas before? Does the amount you (the state) are paying getting you (the state) the results you want with the taxpayer's money? What is the amount providers should be paid to ensure they deliver a cost-effective outcome with the investment of taxpayer dollars? It is understood that one group of persons may have less or more disabilities than another group of persons, and so they are currently grouped in different funding tiers, but why \$9000 instead of \$7000 or \$14,000 instead of \$22,000? What is the cost justification for paying \$9000 for persons in one tier and \$14,000 for persons in another tier? What are the logical and rational cost and defensible mathematical calculations that came up with these amounts?

The new and simple hourly rate methodology coming in a subsequent Deliverable for this project would mean the rehabilitation costs to Vocational Rehabilitation would be approximately \$8400 to \$10,200 for Supported and Customized

Employment, more than the sum of all current milestone payments. The average and annual support and follow along costs to Developmental Disabilities, Behavioral Health, or other State agency would be approximately \$4000-\$5000, a substantial, more than 50% per year taxpayer savings compared with current annual costs.

One way of promoting spending resources on Supported and Customized Employment is ensured through good and usually higher rates, rates that pay providers for the actual costs of these more expensive services that ultimately and quite dramatically lower future ongoing support costs permanently (Cimera, R.E. (2012) *The Economics of Supported Employment: What New Data Tells Us. Journal of Vocational Rehabilitation*). Simply put, the rates of payment for supported and customized employment are too low in Kansas to produce the intended results.

Some provider costs in Kansas may be different from other provider costs, so their payment rates would be different. In addition to wage differences, some employers of Employment Specialists/Job Coaches provide health insurance, paid vacation, illness pay, retirement investments, tuition reimbursement, communication and office equipment, mileage reimbursement and ongoing training and support. These benefits help to retain a qualified and capable workforce. Other providers of services give none of the above benefits to Employment Specialists they hire.

Some States, including Kansas pay statewide provider milestone payment rates for Vocational Rehabilitation payments, individual job coaching hours usually authorizing 30-35 hours (at a cost of about \$1000 in Kansas), followed by tiered payments on the Developmental Disabilities support and follow-along side, some based on pre-determined levels of disability and the hours the person is working. In Kansas providers are offered \$12 per hour for support and follow-along services. Some providers choose to bill the pre-set day habilitation rate. The actual provider costs of a particular service or the amount of service and support given is not considered, is not the basis for payments, and can vary widely depending on what

the provider pays the direct service employees, including benefits, and how many hours of services are provided.

When a state sets statewide payment rates in the manner Kansas does, providers of services may be encouraged to pay very different wages and benefits to their employees, like Employment Specialists, who all perform the exact same work. If Kansas began determining individual provider rates based on what the state determines as reasonable individual provider's costs, then more of the funding can go, by design, to the salaries and benefits of the person doing the direct support and importantly, providers will always be paid enough to meet their costs based on what the state determines as reasonable.

Missing Tool #4: Universal Self-Directed Participant Services

Self-Directed services are a way for Kansas citizens with disabilities to control their own resources. It allows persons with disabilities and their family or guardian to control the money budgeted for services, hire providers to deliver services according to his or her individual plan, and change providers as needed. The individual may choose to self-direct all, some, or none of his or her funding. He or she must have access to traditional facility providers, traditional community employment only providers, non-traditional small providers who serve one, two, or three people, and discrete skills service providers, usually considered simply as employers, found in the person's community.

Three keys to successful Self-Directed services of any kind, including employment, are: 1) Hiring a Community Guide or Support Broker, which is optional and recommended; 2) A Conflict Free Case Manager; and 3) A Medicaid authorized Financial Management Service to pay the bills, collect FICA, and issue tax statements.

Typically resources are given from the state to the provider, almost always through government authorized Medicaid or Vocational Rehabilitation via regional authorities. In contrast, Self-Directed Services providers receive funding with approval from individual persons with disabilities and their families.

Everyday most Kansans pay for or directly authorize (self-direct) the purchase of services, supports, products, food, or goods, on his or her own behalf. Unlike this common American society practice, persons with disabilities in Kansas have rarely paid for or directly authorized any service, support, or activity on his or her own behalf as is common in many states. The funding and decision on who is paid to provide a Medicaid service in Kansas in most circumstances has been chosen and authorized by the State, leaving the person with disabilities the choice to accept the state authorized providers or go without services. This is the situation; despite legal federal safeguards that encourage States to expand providers as the population grows in section 1902(a) of the Medicaid Act.

These include safeguards against unnecessary utilization of services, assurance that payments are consistent with efficiency, economy, and quality of care, and that payments are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such services are available to the general population in the geographic area (42 U.S.C 1396a(a)(23); 42 C.F.R. 431.51).

Kansans would consider Self-Directed employment services as a mainstream American way to fund services. They'd see nothing radical about citizens with disabilities having "the power of the purse," the same as all Americans, to purchase needed employment services and supports, from the same persons that others, persons without disabilities, would seek and purchase their employment services and supports. With Self-Directed employment services, citizens in Kansas would receive services, supports, and products from persons and providers they choose, in exchange for money. This choice is coupled with the ability to take their business

elsewhere, like all Kansans. The widespread use of Self-Directed employment services would bring new accountability and respect for the wishes of citizens with disabilities in Kansas who want to work in the community.

Self-Directed Services may be difficult to understand for persons familiar with the State setting single statewide rates for services and authorizing payment to providers. But it is easily understood by Kansans who have never worked in human services because it is exactly how the rest of society works, people authorize payment for services rendered within the limits of their budget. In Kansas as everywhere, you get paid if you do what you promised you would do. In the traditional and current human services system the authorized provider agencies are funded by the state, authorized to deliver services by the state, not the customer. With Self-Directed Services, Kansas providers would be authorized to deliver services and increase business by getting paid to deliver what the customer expected.

In the current system providers of services only go out of business when the state says they have done something wrong, if they harm several people with disabilities or use taxpayer money illegally. In a Self-Directed System a provider goes out of business when customers decide they don't want to buy those services or products anymore.

For Kansas citizens with disabilities to have a desirable job, one that others wish they had, we should consider using paid support from people who know those good jobs, the employers as discrete skills service providers. This means paying employers as discrete skills service providers and paying the Employment Specialist/Job Coach when they need to work alongside the employer *concurrently*. The Employment Specialist can break large tasks into smaller learnable tasks using systematic instruction and has experience and knowledge about disability specific issues related to that person. The Employer has unique and discrete skills to teach the person the job the person is learning how to do. But this teamwork is just not

possible unless persons with disabilities and their families can Self-direct their own resources and have the option of choosing uncustomary Medicaid providers, people to work with their son or daughter who already work, who are employers, with the know how to teach their son or daughter the actual work he or she wants to do.

What is needed is a fiscal intermediary contracted by the Kansas State Medicaid office. Self-Directed services require the state Medicaid agency to contract with one or more (usually one) fiscal intermediary, called a Financial Management Service. The Financial Management Service can pay authorized payment requests that are in the person's individual budget based on the person's individual plan of service. With an independent Financial Management Service, it isn't necessary for the individual direct service provider to have a Medicaid number, just as it isn't necessary for individual direct service personnel working at a facility to have their own personal Medicaid number. All that is necessary is for the direct service provider to have the required skills to deliver the needed service, and the service be specifically included in the person's individual service plan and individual budget. Federal Medicaid, The Centers for Medicare and Medicaid Services, CMS, requires people to have proven skills and experience to deliver a needed Medicaid service in order for states to pay for the Medicaid service, using federal matching funds.

Kansas Medicaid is encouraged to consider Self-Direction of almost all waiver and Medicaid state plan services by supplying a Self-Directed identifier to most Medicaid codes, certainly Customized and Supported Employment Services, Transportation [critical for employment success], Community Access Services, and potentially every wraparound support service included in the previous list of twelve (above), that ensures continued employment success. Ensuring specific Self-Directed Medicaid codes are available for use by persons who have the needed specific skills (technically the Financial Management Agency as the fiscal intermediary) could increase providers, especially in rural area, and significantly increase choices at no additional Medicaid or taxpayer costs.

People with disabilities in Kansas may be prevented from reaching his or her employment potential, when well-intentioned policies around health and safety mandate services only be delivered by pre-qualified, accredited, and state approved providers and their employees. The very persons who have the needed skills and abilities, employers with talents to help any other citizen, including citizens who do not have significant disabilities, should not be precluded, seen as dangerous or made to submit to background checks in order to help citizens with disabilities, as they would help any citizen if asked.

Kansas, like many states, has protected citizens, possibly themselves, and possibly a long-standing disability services provider network through: licensing, certification, qualification, accreditation, authorization, formal approvals, and coding requirements that limit who can provide a needed service. This although persons working in human service agencies rarely have the knowledge needed to teach the more complex tasks of very specific very good jobs, other than food service, waste disposal, cleaning, etc. To protect persons who are vulnerable, Kansas may have gone too far and excluded opportunities, denied access as required by the Medicaid Act, for citizens with significant disabilities to receive Medicaid paid training and support from persons such as his or her employer, with reasonable accommodations, as it is afforded to other citizens.

In the United States, people are able to choose from among both private and public entities for services. This may not really be the case in practice in Kansas for services and supports for persons with significant disabilities. States are required to ensure persons eligible for Medicaid services have free choice of qualified providers of Medicaid services (42 U.S.C 1396a(a)(23); 42 C.F.R. 431.51). Kansas may have unknowingly diminished the free choice of qualified providers through state-authorization, certification, approval, and other qualification processes. These well-intended safeguards are currently excluding community employers from Medicaid payment for services rendered, even though they are best qualified to teach and train someone with a significant disability how to do a particular job. And, Kansas,

like all States, is prevented from improperly limiting provider fees (who receives payment if qualified or the amount of the payment) Medicare and Medicaid Guide, Extra Edition No. 596 (Oct. 5, 1990) at 390.

Self-Directing Employment Services is a recommended shift from a Provider-Centered system, where the state of Kansas or its authorized emissaries contract with and pay pre-qualified providers pre-determined statewide rates of service, to a Self-Directed Person-Centered system where people with disabilities themselves use a Discovery process to find, contract with, and pay the exact providers they need, paying a fair payment based on what the state determines are allowable provider costs. This includes discrete skills providers (employers) who are qualified as they deliver similar needed services to other individuals in the area, including persons who do not have significant disabilities, at community established and sometimes negotiated rates for a service.

Self-Directed Employment Services can help control Medicaid costs in Kansas. Self-Directed Services are the financial foundation of a Person-Centered System where the person and the person's loved ones decides who is going to get paid to help them. Kansas Medicaid should consider, as good as stewards of the taxpayer funds, setting variable rates for the same or similar services for persons with disabilities depending on provider actual costs to deliver that service. This is something all State Medicaid Agencies understand well in setting different rates for nursing homes based on costs.

Missing Tool # 5: Consistent Well-Qualified Personnel

Self-Directed Employment Services begs for the Kansas State Medicaid agency to set a uniform formula of reasonable allowable costs (salary, benefits, overhead, administrative, etc.) for providers to justify rate of payment. It is not against the law for Kansas to set a statewide rate, as Vocational Rehabilitation does currently at \$34 per hour, with milestone payments for employment services that total \$4500,

followed by a \$12 per hour support and follow along services fee through Developmental Disabilities Services. But it is potentially a violation of the economy, efficiency, and access pillars of Medicaid if such rates do not have documentable individual provider costs, and aren't reasonable enough to create adequate access to providers.

Adequate Employment Services rates will result in less staff turnover because it is critical to have payment rates to meet the Medicaid expectation of access to providers of the service. In fact it is the law. High staff turnover that may result in missing, limited, inexperienced, or relatively unskilled staff providing services may be considered a violation of the Medicaid expectation of access to providers of the service (*Arkansas Medical Society v. Reynolds*, 6F .3d 519,530 (8th Cir. 1993).

Having a Medicaid number or being an authorized Vocational Rehabilitation vendor means the provider is authorized to bill for a Medicaid service. Merely having an available employment service provider in the area where a person with disabilities lives, with the provider having billing capability, does not automatically mean the State has provided the person with a disability or their guardians with access to employment services.

Kansas has organizations with Medicaid numbers and a billing system with employment codes. But that is different from actually providing access to a needed employment service as evidenced through substantial State Medicaid and Vocational Rehabilitation billing and payment data that would show (it does not) that Kansas' relative investment in Supported and Customized Employment for persons with disabilities, compared to other government authorized purchases with the taxpayer's resources is adequate.

Access to employment services means a qualified person is available to deliver a needed employment service with acceptable quality, resulting in acceptable beneficial outcomes, and a good return on the taxpayer's investment. Paying direct

services personnel adequately to avoid high staff turnover is critical to achieve these beneficial employment outcomes.

All Medicaid payments to any provider must be in accordance with Section 1902(a)(30)(A) of the Medicaid Act “that payments to providers are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers.” For example, the Vocational Rehabilitation payment rate of \$34 per hour for Supported or Customized Employment will allow providers to hire an employment specialist at wage of approximately \$12.26 per hour for full time employment with reasonable benefits. But this amount equates to a full time salary of \$25,509 per year and is likely an inadequate amount to pay for hiring and retaining qualified employment specialists and job coaches in Kansas.

Quality Employment Specialists or job coaches are almost exclusively the sole representative of a provider organization, must have extraordinary ability and experience to teach someone with a significant disability using systematic instruction how to perform at the same standard as someone without a disability, arrange employment supports, and be able to communicate effectively in places of businesses in order to ensure long-lasting employment. Most successful Employment Specialists in the United States have at least a bachelor’s degree, more than two years of experience as an Employment Specialist, and have continuing education and training to improve their skills. For all intents and purposes, their professional requirements are equivalent to a schoolteacher, but their pay is not equivalent. Less successful Employment Specialists or Job Coaches are paid between \$9-12 per hour, equivalent or even less than a teacher’s aide, may have other job duties, have a high school education, are kind, are often recognized at annual meetings or dinners, and do the best job they know how.

Missing Tool # 6: Four different types of Traditional and Non-Traditional Providers

Providers of Self-Directed services are customarily classified into two groups: traditional providers and non-traditional individual providers. Traditional providers are usually: 1) larger providers of services where most citizens with disabilities go to a facility to receive their supports, but not always. Some traditional provider offer Supported Employment services but usually on a much smaller scale and serve fewer persons than they serve in their facility-based programs. Another type of traditional provider that many consider exemplary; 2) provides all services in natural community settings, usually through Supported Employment or Community Participation or Community Access services that build the person's access to community life.

Non-traditional providers are of two kinds: 1) those that deliver services, like Customized and Supported employment only to 1-3 people annually; and 2) those that deliver discrete specialty services, which provide a very specific skill, like the employer. Both of these non-traditional providers do not have a Medicaid number. They use a fiscal intermediary; the Financial Management Services agency State Medicaid has a contract with to provide this financial service that allows them to be paid.

It is important to know that All Providers in Kansas whether traditional or non-traditional, must meet the same requirements. Traditional providers routinely apply different requirements of persons who work on behalf of persons with disabilities: a nurse, an Employment Specialist, someone contracted to build a support or accommodation, etc. all have different requirements. These requirement differences are not in conflict with the Medicaid Act that requires states to define minimum service provider qualifications that apply across the service delivery models and those individuals who self-direct are subject to the same requirements as other Medicaid enrollees (Federal Register Volume 79 Number 11 (2014, January

16) Part II Department of Health and Human Services, Centers for Medicare and Medicaid Services, 42 CFR Part 430, 431 etal. Final Rule, 2992.

The Act is not saying everyone in Kansas needs to be licensed or certified, or an employee of an accredited agency, no matter his or her role or purpose, whether they are Self-directing services or not. Nurses should be licensed, but not everybody is a nurse. Employment Specialist should be certified, but not everybody is an Employment Specialist. Discrete skills providers, employers, should be able to prove their competency to deliver the needed skill, but not everybody is a Discrete Skills Provider.

Non-traditional providers in Kansas who are individual persons who work with 1-3 people should meet reasonable health, safety, and accountability standards, like background checks, basic first aid, emergency protocols, and other state requirements, but not extensive or to the extent necessary that a state requires of persons employed by traditional providers of services who serve large numbers of persons with disabilities in a facility or state Institution. Persons providing discrete skills to persons with disabilities, usually a co-worker also employed by the employer, should not have to meet the exact same requirements as a Rehabilitation agency provider, but must meet appropriate requirements as determined by the state, usually proof of competency and good standing in the community.

The Act is explaining that requirements, even reasonable and different requirements depending on the direct service provider and location, must be applied uniformly whether Self-Directing or not. It is not saying that every person who provides a service on behalf of someone with a disability must meet the exact same requirements no matter the service. Again, not everybody is a nurse. Not everybody needs a license. Not everybody is a Rehabilitation Agency. Not everybody needs to be CARF, The Council, or JACHO accredited, because not everybody is a hospital. The Act is saying that reasonable and different requirements depending on the work, location of the direct service provider, and

the service, must be uniformly applied whether Self-Directing services or not. If someone Self-Directs nursing services, then it must be from a nurse that is licensed.

Missing Tool # 7: Clear Guidance When Families Can and Cannot be paid to provide Services via Self-Direction

Self-Directed Services do allow families to become paid providers of services in certain yet limited circumstances. A provider of a Medicaid services must have the skills necessary to provide the service. Some families in some states have seen Self-Direction of their son or daughter's services as an opportunity to be paid something for the countless hours of extraordinary support and care they provide to their own son or daughter with a disability. It is not. Although, it is well documented that both parents have a loss of income when they have children with a disability and that mothers of children with disabilities often must abandon their planned career (Stancliff, R. and Lakin, C. (2005) *Costs and Outcomes of Community Services for People with Intellectual Disabilities*. Paul H. Brookes, Baltimore, MD). While further discussion and significant changes to social and financial policies around how to best support families with a child with disabilities in Kansas and other states are past due, Self-Directed Services is not an opportunity for families to recover very real extraordinary financial costs.

On the subject of families providing services, it is required that persons providing Medicaid Services be certified, qualified, and/or have the skills necessary to provide beneficial services. Such skills may become evident through education, experience, or meeting agreed upon standards in regulation, certification, and or other qualifications. Such skills may become evident with the person's functional improvement and lessening need for services or supports. Again, it is not necessary for family members to be accredited like a rehabilitation provider agency.

While the new Medicaid Rule published January 16, 2014 seemed to discourage payments to parents; it actually does not discourage relatives from being providers

if warranted. The new Rule only prohibits relatives from providing the evaluation of eligibility and determining access to care. Payments to family members make sense and Kansas should consider approval in some circumstances, such as: remote rural areas where there are no qualified providers available to provide the needed service, and other limited circumstances and situations, considering participant and family trauma history, extensive disease or medical circumstances, life threatening circumstances, and situations where significant financial savings to Medicaid may be realized while providing superior outcomes. In every instance Kansas should consider approving family members to be paid under Self-Directed Services only if the parent is qualified to provide the service.

Kansas should consider policies that encourage families to provide needed services when: 1) there is no access to otherwise skilled or qualified providers, and, 2) very real costs may be attributed to the parent's delivery of the service without financial benefit or gain, and 3) the service ameliorates or lessens current or future costs in an economical manner, and 4) the service is delivered by a qualified or skilled relative as evidenced by beneficial outcomes due to the quality of the service or care provided. What this guidance clearly says is that parents who Self-Direct services should not be authorized to pay themselves, relatives, friends, etc. because they want to or because it is their choice. All expenditures of Self-directed resources should be approved by the State-authorized Independent Conflict Free Case Manager in accordance with State guidelines that closely mirror federal Centers for Medicare and Medicaid (CMS) Technical Guidance.

Missing Tool #8: An (i) State Plan Amendment

An (i) State Plan Amendment has the ability to limit the State's and the managed care corporation's financial exposure. An (i) could specifically target persons with Behavioral Health needs in Kansas and only for Supported/Customized Employment using eight of the twelve necessary services as listed above: 1) Self-Directed Services; 2) Financial Management Services; 3) Community Guide or

Support Broker Services; 4) Supported Employment, including Customized Employment; 5) Community Access Services; 6) Goods and Services; 7) Education and Training Services; 8) Benefits Counseling Services; 9) Non-residential transportation services.

Unnoticed by some States, and potentially Kansas, was a provision in the Affordable Care Act of 2010 that had nothing to do with healthcare. It was this significant change to something called the (i) State Plan Amendment in Medicaid. Previously, the (i) provision allowed States to run pilots of a few hundred or fewer persons with disabilities, and they could be targeted to just one or a few areas of a state. The new (i) provision is substantively different. It requires state wideeness, like all Medicaid State Plan Amendments and for this reason some State Medicaid Directors early on thought it was a budget buster; they in error thought it was just an add-on to existing Medicaid State Plans. It is not.

An (i) State Plan Amendment gives a state the ability to target a specific group and within that group use an assessment of need to further target a subgroup for (i) State Plan Amendment Services. And, the (i) State Plan Amendment allows States to target a particular service or group of services. Any service delivered under a state's 1915 (c) Medicaid waiver may become an (i) State Plan Service, but it's up to the State. So this means Kansas could target a limited number of citizens with mental health needs, not every person with mental health needs would be eligible, which significantly controls costs, and only offer a limited menu of services, like supported and customized employment and the other services mentioned above, which significantly controls costs, and be able to place caps on those services that are chosen (hopefully the list presented above), to significantly control costs.

Additionally, as a hypothetical, if a Kansas determines for example that instead of paying \$17 million in pure state money for mental health services in the manner that it is today just as an example, it could increase services to \$35 million without spending any more state taxpayer funds, it could target a specific group of persons

with mental health needs based on an assessment of needs, for example 3000 Kansans with co-occurring substance use and mental health needs. If it turns out that 3000 was a huge overestimate and only 300 people qualify and want services, then Kansas could, after HHS has approved the (i) plan amendment, ask in a letter after the fact for the Secretary to agree with expanding the criteria in order to make additional persons eligible. Conversely, it also allows State to quickly tighten or shrink the pool of potentially eligible persons if for example 4500 Kansans instead of 3000 become eligible. This does not mean the (i) gives a State the ability to remove beneficial services to people who have already been deemed eligible and are receiving services under previous less restrictive criteria, but it does mean going forward that the number of eligible persons can be more easily expanded or reduced.

Once states figured out the advantages of how the (i) allows both targeting of persons and services and limiting financial risk by States having the ability to tighten or expand eligibility based on an assessment, then many states are today hurrying to implement at least one and some several (i) State plan amendments to both control costs and serve person who were previously unserved due to a state's fear of cost overruns.

Considering the information available on employment services, currently funded by state only or SAMSHA grants for persons with behavioral health needs in Kansas, but 809 people and only 11 of 26 Community Mental Health Centers in Kansas are using the evidence-based Individual Placement Model (IPS) and among those that do, only 44% get jobs in competitive employment, only better than the 15% who try without the IPS model. This despite IPS being one of the most effective psychosocial interventions for persons with mental health needs and one of only six recommended evidenced based practices by SAMSHA.

The (i) State Plan Amendment for Kansas would allow Kansas to more than double the amount of resources available to serve citizens with significant mental health

needs, allow the introduction of the most effective and proven psychosocial intervention—the individual placement model (IPS) of Supported and Competitive employment, at no additional cost, while saving significant costs in the current treatment of these citizens using pharmacological and therapeutic approaches to services, largely without the most effective psychosocial approach known—Supported Employment.

Missing Tool #9: Changes to Kansas Vocational Rehabilitation

If the plan is to save the maximum amount of dollars possible, taxpayer dollars that are typically used to help persons who become injured or disabled, then the plan in Kansas is not working as well as it could. Taxpayer dollars could be saved by implementing Vocational Rehabilitation Services in a manner that gets far more persons employed, making a living wage, working and paying taxes in his or her Kansas community. For this reason, substantive changes to Kansas Vocational Rehabilitation are recommended:

- 1) Pay new Vocational Rehabilitation Counselors and any Counselors that have been employed for three years or less at least 75% more so that Kansas Rehabilitation Counselors are paid as well as Nebraska Rehabilitation Counselors, \$53,000 per year.
- 2) Cut the Caseloads of Vocational Rehabilitation Counselors in half at minimum, so that no counselor will have more than 70 open cases at any point in time in Kansas.
- 3) Hire twice as many Vocational Rehabilitation Counselors, to ensure Counselors are available in every region of Kansas.
- 4) Increase the number of agencies authorized as Vocational Rehabilitation vendors, who deliver more than \$150,000 worth of Vocational Rehabilitation Services annually, by ten-fold, while gradually eliminating vendors who do not have the capacity to deliver greater than \$25,000 worth of services annually, currently two-thirds of all Vocational Rehabilitation vendors.

- 5) Eliminate all milestone/benchmark or performance payment systems as they discourage qualified providers of services by paying about half of the actual provider's costs to deliver quality Vocational Rehabilitation Services that deliver a lasting employment outcome.
- 6) Replace the milestone payment system with a simple to use hourly rate, beginning with an hourly rate of between \$42 and \$52 per hour for all vendors with the requirement that Employment Specialists and Job Coaches working for providers must be paid on average \$21.00 per hour and be a full time Employment Specialist/Job Coach, resulting in at least a 50% increase in annual salaries. This statewide rate formula would be replaced with an individual provider rate based on actual Employment Specialist/Job Coach annual salaries.
- 7) Ensure that every Employment Specialist/Job Coach is credentialed or certified. This change would increase the number of credentialed or certified Employment Specialist/Job Coaches working in Kansas by three-fold.
- 8) Increase the Vocational Rehabilitation hourly rate from \$34 per hour to between \$42-52 per hour and anticipate and budget for average per person Vocational Rehabilitation expenditures of between \$8400 and \$10,400 for approximately 200 billable hours of support services.
- 9) Do not allow 26 successful VR closure status for anyone who has not faded ongoing support to at least 20%, meaning that 80% of the persons employed hours are without paid support.
- 10) Only place persons in Supported or Customized Employment who have a matching ongoing follow-along and support rate of funding, \$42-\$52 per hour.
- 11) Make certain providers of services understand that Vocational Rehabilitation may not be billed for meetings, paperwork, round trip travel time, and generic job development, can only be billed for person specific time, face to face training and support, and non-face to face, advocacy and person specific meetings with family members, the employer, and phone calls that are person specific.

Summary

Two questions will be answered by two coming Deliverables, how are we going to finance and pay for all this? A new allocation, rate, and payment methodology. And, how are we going to get there? A roadmap. In 1994, when Kansas was at its pinnacle in the number of citizens per capita with disabilities employed, it is likely that the average employment specialist or job coach earned between \$18,000 and \$26,000 per year, between one-half and one-third of what the average teacher in the United States made then, about \$35,000 per year. Only because of inflation, in 2015 those wages for Employment Specialists/Job Coaches should be between \$28,980 and \$41,600. They are not even close. Today the average teacher in the United States makes \$56,383.

Conclusion

Persons with disabilities in Kansas and their families are as good as other persons with disabilities and their families living in other states. They deserve good employment supports and services that help them succeed as much as similar persons in other states. Changing waivers, the state plan, services, supports, funding allocations, and rates can ensure that federal tax dollars that have left Kansas, will be returned to benefit Kansans with disabilities, their families, their employers—the businesses of Kansas.

A Simple to Use Rate Methodology

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This is Deliverable Three, A Simple to Use Rate Methodology. This deliverable will be supplemented by two subsequent deliverables: a Written Analysis of multiple funding and support structures, in particular self-directed employment funded services, and a Written Analysis of disability services funding models. This funding methodology was developed exclusively and only for the State of Kansas to encourage successful integrated employment of persons with developmental disabilities. Although painstaking detail was used to develop this rate methodology for Kansas, some details do not lend themselves to written explanations and are answered best through questions and answers. Albert Einstein once said,

“I wouldn’t give a nickel for the simplicity on this side of complexity, but I would give my life for simplicity on the other side of complexity.”

What follows is the complexity necessary to achieve a Simple to Use Rate Methodology. Although integrated employment services for persons with developmental disabilities will be used as the exclusive example throughout this Deliverable, due to the availability of the (i) State Plan Amendment Medicaid funding mechanism and the integrated employment mandate by Vocational Rehabilitation through the Workforce Innovation and Opportunity Act that includes all persons with disabilities, every initiative and example would apply equally to all Kansans who have significant disabilities. These recommended changes could be used immediately for citizens with behavioral health employment needs by increased use of the Dartmouth IPS individual supported employment model.

Kansas spends about \$490,000,000 annually in services for persons with developmental disabilities, maybe a bit less with managed care. (Note: Medicaid payment data only for long term supports and services is approximately \$370,000,000.) Of that amount approximately \$87,530,000 is spent on day services and employment. In general terms approximately 80% of the funding is spent for residential services and 20% is spent on employment and day services.

Of the \$490M total annual expenditures, about \$4.0M is spent on integrated competitive employment, about 8/10 of one cent for every dollar. Some funding that is billed as day services funding is integrated employment. It is not unreasonable to estimate total employment funding to be 1.5% of the total, although some persons considered in this 1.5% are in disability enclaves and would not be considered as integrated employment. It is reasonable to say that currently between \$4.0 and \$6.0M, about 6% of the \$87.53M total spent on day services and employment, is spent on integrated employment.

Inaccurate, incomplete, and unaligned data in reports over the last two decades prevent an accurate picture of the actual amount of spending each year and currently in Kansas. The assumption is that of the total amount being spent on behalf of persons with developmental disabilities in Kansas about 80% is spent on residential services, about 19% on day facility or sheltered employment, and about 1% on integrated employment services. The following analysis and fiscal plan will move 0% of the funding currently for residential services and 11% of the funding currently spent on day facility and sheltered employment to integrated individual 1:1 customized/supported employment, and individual 1:1 community access services.

This analysis supports an 11% rebalancing of day and employment services funding and represents less than 2% of total \$490M developmental disabilities services spending, approximately \$9.6M, bringing the total annual investment to \$14M in integrated competitive employment in FY2017.

Twenty-one years ago, in 1994, Kansas invested \$7.4M in integrated employment for citizens with developmental disabilities, equivalent to \$12M in 2015. It is expected that the integrated employment investment in FY2017 will equal this later day amount with \$2M additionally for integrated day services annually, all total \$14M. After this initial investment, integrated employment should be increased annually to become 3.4% of the total \$466M or greater investment, approximately \$17M by FY 2021, putting Kansas permanently back on the integrated employment track.

There will be no loss or negative financial impact on day or sheltered services with this financing plan, providing that at least 6 out of every 100 persons every year who are currently receiving facility work or non-work/day services receives his or her services in integrated employment and other integrated community settings. Additionally, substantial additional Vocational Rehabilitation investment will help create a positive funding situation as compared to current total provider agency revenue.

Although it is not known the amount of funding currently being spent by Kansas Vocational Rehabilitation to assist citizens with Developmental Disabilities secure integrated competitive employment, approximately 125 Kansans with developmental disabilities on average in the recent eight years successfully reach VR Status 26 case closure as successful via supported employment. It is believed that the annual expenditure for these successes is approximately \$687,500, with an additional expenditure of approximately \$875,000 for persons with developmental disabilities who are not closed through VR in successful via supported employment annually.

It is anticipated that the future costs per person with developmental disabilities in VR services will be approximately \$10,000 for one year, with ongoing follow-along and support costs being zero to VR as Developmental Disabilities Waiver services

would pay the approximately \$3500 to \$5000 in annual ongoing support costs, a significant annual taxpayer savings.

Total investment by Vocational Rehabilitation in ensuring citizens with developmental disabilities gain and secure integrated competitive employment would be approximately \$6.0M annually in integrated employment investment, a significant increase. This annual investment would be \$19M less than the current projected \$25M investment for Endependence. The \$6.0 M would secure approximately 500 successful closures annually of persons with Developmental Disabilities in integrated competitive employment through customized and supported employment.

Allocating Resource Fairly and Equitably

Resources may be allocated fairly and equitably by taking the amount of resources available and distributing them based on relative need. Those with greater needs would receive more funding and those with lesser needs would receive less funding. A reliable and valid assessment of need tool, such as the Supports Intensity Scale, should be used to create a proprietary algorithm to equitably assign, day and employment support resources. This assignment of resources based on need would have no impact on current funding and supports for residential services.

SIS for 93%, Individual Allocations based on exact cost for 7%

It is understood that about 7% of persons, 580 Kansans in the current DD waiver for example, would have disabilities significant enough that their needs could not be fully recognized using the Supports Intensity Scale (SIS). For these persons approximately 15% of all resources could be distributed based on an individual provider accounting of costs for each person through an Exceptional Allocation Protocol. The remaining 93% of persons, 85% of the available resources, would be allocated based on his or her needs relative to other Kansans with similar needs via the SIS assessment. Some persons may use the entire amount allocated. Other

persons, approximately 8%, will have significant events that will require the allocated amount to be adjusted during the year.

SIS allocation based on need phased in over four years

Some persons will have allocation amounts based on need that are greater or less than the amount of resources he or she is currently receiving. For this reason the impact of the SIS should be limited to 20% annually of the historical allocated amount as derived through monthly Medicaid billings. In other words, the power of the SIS to fairly allocate resources will be limited to just 20% the first year, 40% the second year, etc.

For example, if someone were assigned \$20,000 in resources annually and the SIS results showed they should have been fairly assigned \$10,000 then the amount of adjustment in year one would be no greater than \$4000, resulting in an assignment of \$16,000 in resources, year two, \$3200 less @ \$12,800, year three \$2560 @ \$10,440, and year four \$440 less @ \$10,000, to reach the fair and equitable assignment. *This does not mean most persons will have a reduction of 20% every year over 4 years*, in fact this most extreme limit financial scenario may not exist for anyone and if it does it would likely be for less than a dozen persons statewide. Most persons will receive an *increased* allocation.

An example of a similar, albeit extreme increased allocation would be someone who is currently receiving \$10,000 annually but should be receiving \$20,000 to meet his or her assessed needs. The first year adjustment would be no greater than 20% of this difference or \$2000 @ \$12,000, the second year allocation would be no more than \$2,400 @ \$14,400, the third year would be \$2880 @ \$17,280, and the fourth year would be the remaining amount of \$2,620 @ \$20,000. *In reality, annual adjustments will be between 3% and 7%, typically about \$700 more or less.*

A graduated adjustment over four years is necessary to ensure a stable provider network as some providers may have historically served many people who were

higher or lower functioning than the norm. A significant single year swing in revenue, positive or negative, can have a destabilizing impact on an organization.

Providers of services should not be concerned as most citizens they serve will both gain and lose revenue slightly through an annual fair individual allocation and the provider's overall financing will remain stable or increase depending on the provider's choices. And, most importantly, when the individual fair annual allocations are considered with separate individual provider rates based on costs, providers are assured of having adequate revenue to meet programmatic and financial obligations.

11% reduction in day/sheltered facility funding

300% increase in supported and customized employment funding

Current day/sheltered center rates would be reduced by 11% with the revenue reallocated to supported/customized employment and 1:1 time limited community access services. It is expected that an additional \$12M in new Medicaid supported/customized employment revenue would be available for persons with developmental disabilities and an additional \$6M from Vocational Rehabilitation for a total of \$18M in new employment investment revenue annually.

Providers of services, particularly providers of day/sheltered facility services will be very interested on how they could have the 11% decrease in payments for their day/sheltered facilities returned. The answer—increase the number of person's receiving supported/competitive employment necessary to realize an 11% increase. Quickly, providers of day/sheltered services will likely realize that the significant increase in Vocational Rehabilitation revenue coupled to a substantial increase in the hourly supported/customized employment ongoing follow along and support rate via Medicaid will easily exceed the potential 11% loss.

An outcome/results based system with new customers annually

It is critical to understand that providers who choose to do little or nothing, that decide not to expand supported employment or customized employment choices will realize a decrease in revenue. Also important is the understanding that a static customer base, thinking these are our 27 people, our 87 people, our 237 people, will also result in lower revenue over time as the impact of successful integrated community employment reduces the need for constant paid support while people are working. It is imperative that rehabilitation/habilitation providers re-purpose the work to deliver outcomes for persons with disabilities that lessen the need for support and thereby lessen ongoing taxpayer costs per person. Providers of rehabilitation/habilitation services are strongly encouraged to develop and grow their customer base by adding additional persons annually via supported/customized employment.

It is estimated that 1.5% of adults nationwide meet the eligibility requirements as having a developmental disability. In Kansas that number would be approximately 35,000 adult working age men and women with a developmental disability. The total number of working age men and women currently receiving services in Kansas with a developmental disability is a bit more than 8000 people. The conclusion—most people eligible for services with a significant intellectual disability, a developmental disability, do not receive any services currently. Many are on Social Security Disability payment assistance.

Who are and where are these 27,000 people in Kansas? It should be considered whether any persons by race, age, or gender are disproportionately underserved in the developmental disabilities service system. It is known that thousands of Kansans remain on waiting lists. Those identified as having a developmental disability during his or her public school years, receiving all of their services through special education, are not, as a matter of common practice, referred to adult supports and services he or she is eligible to receive. There is not a school to work transition law in Kansas that requires Vocational Rehabilitation attendance during

the transition years of the special education students' Individual Education Plan development. Little data is available concerning persons, other than persons with developmental disabilities, but it can be easily assumed that the number of persons with significant mental health needs who would qualify and benefit from supported/customized employment is much greater than the number of persons who intellectually function in the lowest 1.5% of society.

How to Build a Simple Individual Provider Hourly Rate Based on Costs

The quick and simple version: *Take the average of all the yearly wages of the job developer/employment/job coach specialist x 1.6, then divide that number by 1200 = provider's hourly rate.*

Example: Average of all the yearly wages (excluding benefits) of the job developer/employment specialist/job coach = \$37,440 based on an average hourly pay rate of \$18 per hour. $\$37,440 \times 1.6 = \$59,904 / 1200$ annual billable hours = individual provider hourly rate of \$49.92.

What is the logic behind 1200 billable hours divisor?

What is the logic behind the 1.6 multiplier?

The logic behind 1200 annual billable hours

Assumptions used as an example:

\$18.00 per hour average pay;

Job Developer/Employment Specialist/Job Coaches;

Average two or more years of experience in the positions;

College graduates;

Employed full-time;

40 hours per week x 52 weeks = 2080 hours of pay

6 weeks or 240 hours per year deducted as unavailable do to:

Paid vacation;

Illnesses/medical;

Personal business;

Holidays;

This means 1840 hours, not 2080 hours are available for work annually per person

And, of the person's available 40 hour work week:

3.00 hours are unbillable travel.

1.5 hours are unbillable staff meetings, coworker communication.

1.5 hours are unbillable program development (generic, non-person specific employment development, employment research, analysis).

2.0 hours are unbillable record keeping, filing, answering inquiries, emails, billing preparation

.5 hour is unbillable supervised time, communication with supervisor

1.5 hours are unbillable inservice training, individual professional development, professional conferences

1.5 hours are new employee productivity adjustment. 80 unbillable hours first month employed, 40 unbillable hours second month employed

2.5 are paid unbillable personal time

Total number of unbillable paid hours of time average per week = 14

Total number of billable paid hours average per week = 26

*Total number of billable paid hours per year 46 weeks x 26 hours = **1200** (1196)*

Total number of billable paid hours average per month = 100

Considerations:

Unbillable travel time some weeks could be 10 hours, some weeks 0 hours.

Unbillable staff meetings and co-worker communication could be 10 hours, some 0.

Unbillable generic job development and research could be 32 hours, some weeks 0.

Unbillable record keeping, filing, answering inquiries could be 8 hours, some 1 hour.

Unbillable supervisor conversations some weeks could be 3 hours, some 0.

Unbillable employee development hours some weeks could be 40 hours, or 0 hours.
New employee billable hour production loss is a reasonable estimate.
Employee personal time will be approximately 30 minutes total a day.

The logic behind the 1.6 multiplier

Same \$18.00 per hour employee average as described above.

$\$18 \times 40 \times 52 \text{ weeks} = \mathbf{\$37,440}$ average wages cost

\$13,853 is the combination of *all local, state, federal taxes, and all benefits*, including health insurance @ 37% of salary

Employee travel, mileage/transportation costs, occupancy, administrative support, legal, insurances, office equipment, computer, and communication equipment = **\$8,611** @ 14.37% of cost.

The total cost is $\$37,440 + \$13,853 + \$8,611 = \mathbf{\$59,904}$

An hourly rate based on what the state has determined as reasonable costs

$\$59,904 \text{ total costs} / 1200 \text{ hours} = \49.92 per hour

This basic rate setting formula is based on an average wage of \$18.00 for a job developer/employment specialist/ job coach working full time, paying taxes, and receiving benefits, including health insurance.

Employee mileage or travel reimbursement is assumed under administrative costs.

For example four full time employees making per hour \$16.00, \$17.00 \$19.00, and \$20.00 would create an average wage of \$18.00 per hour with total costs of \$239,616 and would be expected to have at least 100 hours average per month of billable time, some months more and some months less, but 100 average, for a total for all four employees of 4800 billable hours per year (1200 each).

\$239,616/4800 billable hour = \$49.92

What is Billable and what is not Billable

Billable

1. Direct face to face on the job or in person teaching/training (job coaching, employment interview, travel training, etc.) *when the person is present.*
2. Direct billable person-specific (not generic) communication and advocacy *when the person is not present* with:
 - a) the person's employer, either face to face, by phone, or electronic
 - b) parents/guardians, face to face, by phone, or electronic
 - c) social services partners, face to face, or electronic
 - d) community citizens, doctors, landlords, neighbors, transporters
 - e) non-job involvement with the participant
 - f) person-specific community employment development, limited to 40-75 hours

Indirect billable: person-specific service development, improvement, planning

Not Billable

Case conference attendance

Community relationship building

Travel.

Staff meetings

Communication with coworkers

Agency or program development

Generic, non-person specific, employment development

Agency or services marketing

Community employment research

Community employment analysis, non-person-specific

Record keeping

Filing

Answering/responding to inquiries

Emails/Invitations

Billing preparation

Communication with supervisor

Inservice training

Individual professional development

Professional conferences attendance

Lost new employee productivity hours. Limited to 80 unbillable hours first month employed, 40 unbillable hours second month employed

Personal time while working

Rule of Thumb: Most activities that are *person-specific* are billable. Activities that are organization or provider related are not billable.

Limitations: State Financing Safeguards

Vocational Rehabilitation Hours should be authorized in a first 100 hour block and in subsequent 50 hour blocks. Continued authorizations for services are predicated on reasonable progress reports to the person's Vocational Rehabilitation Counselor, via brief email, at every 50 hour increment, including the first two 50 hours included in the initial 100 hour block. **The final 50 hours of authorization**, usually within block 2 (100+50), block 3 (100+50+50), or block 4 (100+50+50+50) **should not typically be fully expended.**

Because the rate is developed largely from provider reported salaries of job developers/employment specialists/job coaches, a year end self audit by the provider on actual costs to ensure expenditures (costs) are in accord with the amounts used to develop the provider rate is required. Providers will have routine random audits at the discretion of State Vocational Rehabilitation and Developmental Disabilities. Adjustments in past or future payments should be recommended to remedy discrepancies as necessary.

Support and follow-along services, after VR case closure status 26, require twice monthly onsite visits, unless the frequency of these visits might hinder the participants' employment in accord with the person's Individual Habilitation/Rehabilitation plan.

Hourly support and follow-along services should vary in intensity and frequency over months and be delivered only as needed. Repetitious billing hours, including any form of block or tier-funding, should be seen as providing services that may not be necessary.

It is the state's expectation that employees will be engaged in unbillable travel, meetings, coworker communication, program improvement, generic job development, answering inquiries, emails, billing, record keeping suitable for auditing, communicating with his or her supervisor, participating in inservice training, conferences, professional development, at least two weeks of vacation, approximately 10 days of paid holidays, leave of absences for illness and family as necessary, and be considerably less than fully productive during the first two months of employment.

Under some circumstances employees may take less than anticipated vacations, work some holidays, be more efficient in paperwork and billing, and have few illnesses or leaves of absence. For these reasons in some years an employee may exceed the 100 hours average per month, up to a 1320 hours per year limit. Because the divisor that determines the rate is based on 1200 hours per year, not 1320, regular and consistent employee billing in notable excess of 1200 hours per year will require a rate recalculation based on a divisor of 1320, lowering the rate.

It is expected that direct face to face billings at the employment site will make up at least 60% of the billable time, but direct face to face billings should not exceed 80%

in an evidenced based supported employment or customized employment model of services.

Providers may calculate their own rates based on the state's allowable costs. Providers who pay less, provide high cost to the employee health insurance, do not allow employees time for individual development such as attending conferences, do not bring in non-staff experts for inservice training, or who choose to intact other "efficiencies" to lower costs below the state's expectations in order to realize administrative revenue in excess of 14.37% of costs will be subject to a rate recalculation based on such evidence.

Provider rates based on the following average hourly wage of the job developers, employment specialists, and job coaches. It is expected that wages will be adequate to prevent a greater than 7% agency leaving staff turnover rate, and a 15% staff leaving due to a promotion or internal agency position change reason.

**Job Developer, Employment Specialist, Job Coach
Same person or Different People?**

Full-time productivity, 100% productivity for a job developer, employment specialist or job coach, is 100 billable hours average per month equaling 1200 hours billable annually. Some organization have persons who are job developer's getting the employer's commitment and the Employment Specialist, who follows up on that commitment, being the exact same person. Other organizations choose to stratify by salary and prestige those persons responsible for Job Development, Employment Specialists, and Job Coaches, who usually provide the support and follow along.

Typically, Job Developers are paid the most and wear more formal clothes, while Support and Follow Along Job Coaches are paid the least and dress more casually. While there is no evidence that stratification of positions involved with Supported or Customized Employment results in reduced or improved outcomes for persons

with disabilities, it is recommended that provider's discuss these differing ways of staffing and paying for services in the light of the following information: There is no economic advantage to paying any position less than another as less wages, less benefits, etc. lowers the hourly rate based on total costs of all positions. Second, arguably the largest and one of the most successful organizations providing supported employment services in the Midwest, who had 36 Employment Specialists working full time, had the Job Developer, the Employment Specialist, and the Support and Follow along person as the exact same person.

Employers, faced with one person meeting them as the agency's job developer, another person providing the intensive training for the person to learn the job, and another person to provide the ongoing support and follow-along services, may be discouraged from offering their business as a participant, with multiple provider agency personnel (non-employees and non-customers) coming in and out of his or her business, in particular as turnover of these positions is currently not uncommon.

**Staff average hourly wage-hourly payment
for integrated employment services**

<u>Hourly Wage</u>	-	<u>Hourly Payment</u>	
\$10.00	-	\$27.73	
\$11.00	-	\$30.51	
\$12.00	-	\$33.28	
\$13.00	-	\$36.05	
\$14.00	-	\$38.82	
\$15.00	-	\$41.60	\$31,200 annual salary
\$16.00	-	\$44.37	
\$17.00	-	\$47.14	
\$18.00	-	\$49.92	\$37,440 annual salary
\$19.00	-	\$52.69	

A consideration: Kansas Teachers with BA BS, MA and MS degrees make an average salary of \$47,464 for 9 months of school teaching. Job Developers, Employment Specialists and Job Coaches may be benchmarked for the future with annual wages that are 20% less than Kansas school teachers. Currently that salary would average \$37,971 annually.

Enclaves, Mobile work crews, Segregated or Group Services

It is important that congregating, segregating, grouping, and isolating are not financially incentivized. Providers should not be incited by the state to provide group employment. To prevent this, divide the individual rate by the number of persons being served in the employment setting. If the individual supported employment rate based on the provider's costs were \$48 per hour, then in a six person enclave environment the rate would be \$8.00 per person per hour. If the state allowed someone to supervise say twenty people in a sheltered workshop setting, then the hourly rate, assuming all other benefits and the above criteria were met, would be \$2.40 per person per hour. It is important for state policymakers to consider this to determine how much of the resources are going to pay for those who provide direct services and care as compared with physical plant, transportation, and administrative costs.

Milestone Payments

Although the outcomes of going to a milestone or performance-based payment system are being questioned by states due to dwindling employment outcomes over the past two decades as many state Vocational Rehabilitation agencies switched to milestone payments from hourly rates over the last decade, it is still a popular way to pay in some areas of the country, potentially still including Kansas.

Since milestone payments are only paid due to success, and the provider is paid nothing for his or her work if the person fails to reach the next milestone, a provider needs to recover revenue lost in a milestone payment system to stay in business when they do their best but fail to secure a lasting job. It is expected that under the best circumstances, about 71% of persons will succeed in becoming employed the first time employment is tried (of those 29% that “fail” 85% will likely succeed in the next employment opportunity based on all that was learned in the first unsuccessful employment placement). The average number of hours of billable intervention to secure integrated employment is 200, some will need but 90 hours, others will need 400 hours. At 200 hours x \$49.92 rate per hour the average cost of employment in a good job that other people would want at an average of 26 hours working per week would be \$9,982. This hourly payment to the provider is for person specific direct and indirect time as described previously.

Some persons, about 3 out of 10, are expected to be unsuccessful in securing employment and that represents no loss of income in an individual hourly funding method of payment as providers are paid for delivering any specific billable habilitative/rehabilitative services whose ultimate worth is likely to come, even if it is currently considered unsuccessful.

But in a milestone system providers are not paid for delivering habilitative/rehabilitative services if they are not successful, every milestone along the way. To ensure providers stay financially whole and are paid the full cost of their supported employment and customized employment efforts, rates for the total milestone payments would be higher, $1.29 \times \$9,982 = \$12,877$.

Additional Deliverables

A Written Analysis of multiple funding and support structures, in particular self-directed employment funded services, will outline the advantages of using this new funding mechanism in Kansas with Self-directed Funding. A Written Analysis of disability services funding models will explore the advantages and disadvantages of

hourly payment and milestone payment funding mechanisms, with particular attention to hybrid funding mechanisms that contain elements of both. Greater non-written detail is necessary to ensure the successful implementation of this complex to explain but Simple to Use Rate Methodology.

**Comments made during Kansas Community Forums/Focus Groups,
Stakeholder Meetings, and Interviews
Stephen Hall PhD
Griffin Hammis Associates
July 2015**

Introduction

The basis for this information is: Multiple community focus groups held over a four month period March, April, May, and June, 2015 in the vicinity of Salina, Wichita, Kansas City, Lawrence, and Topeka, three Stakeholder group meetings with Providers of Services, State Officials, Self-Advocates, Formal Advocacy Groups, Parents, Guardians, and Family Members, and dozens of interviews with interested persons living in Kansas. ***Over eighty people with developmental disabilities made up a part of these comments*** and their comments are spread throughout every category. In every instance privacy, including the location of the commenters, was attempted to ensure candor. Safely, these comments come from more than 350 persons and accurately reflect the concerns of nearly all Kansans interested in the Employment of citizens with disabilities.

The following list of comments was transcribed from the words spoken at the time the comments were made. There is a potential for errors in transcription that is not recorded, again, what was sought was the highest degree of honesty and candor, uninhibited by the limits of being recorded. Each comment was listed but one time, even if it was mentioned multiple times, verbatim. We purposely didn't want anyone to be careful about what they were saying and made every attempt to elicit how people really felt at that time about employment and potential barriers to employment for citizens with significant disabilities in Kansas. In most instances, the comments were made publicly.

Limitations:

- 1) Some of what is said is not and may not be true, but the perspectives expressed were genuine and it is felt that every participant was speaking the truth as they perceived it to be.
- 2) No one was asked what they thought was going really well and should not be changed because this question will likely be addressed subsequently.
- 3) Everyone wasn't interviewed, almost all of the information was derived from persons having an interest in the employment of persons with developmental disabilities, a few concerning the employment of citizens with behavioral health needs, and just one who spoke about similar issues for persons with physical disabilities. Although the specific details of the needs of Veterans, persons with brain injuries, and children of working age with mental health needs were not sought, it is believed the experiences and thoughts expressed by persons easily represented similar experiences of all Kansans with disabilities. In fact, due to HCBS waiver and the Supported Employment initiatives that began more than 30 years ago with persons with developmental disabilities, it is widely believed that persons and families of persons with significant disabilities other than developmental disabilities experience more barriers to employment in Kansas than those expressed in the community focus groups and stakeholder meetings.
- 4) The purpose of this project by design is narrowly focused to ensure sustainable systems change, change that becomes the customary and ordinary way to go about this work of ensuring citizens with significant disabilities are employed in their communities. Persons with disabilities, their families, and the business community will benefit from permanent, routine, and sustained daily actions by state officials and providers of services—the smart use of all of the taxpayer's dollars.

5) This work is focused on what happens with the more than half of a billion dollars spent by Kansas taxpayers every year on behalf of citizens with disabilities and it is specifically not about, neither criticizing or supporting initiatives, pilots, or assuredly noble-intentioned projects current and past to get people with disabilities jobs. As with many states, there is always something going on in Kansas that promises to lead citizens with disabilities to a better quality life via employment. There are far fewer efforts, like this one, that focuses on ***how we customarily and ordinarily spend the overwhelming bulk of taxpayer dollars everyday in the Developmental Disability, Behavioral Health, and other disability service systems, almost exclusively Vocational Rehabilitation and Medicaid***, to ensure citizens with disabilities do not live in poverty because he or she works, pays taxes, and makes a living wage.

The comments were de-identified and sorted into the following categories in no particular order of importance. Because a comment is under a particular category, like for example “School/Education Comments,” this does not mean the comments came from teachers or other school personnel. It is just a comment about that area, schools/education, or students. Some of the comments are profound, thought-provoking, inflammatory, hopeful, courageous and extremely insightful, some all at the same time:

1. Waiver/Medicaid Comments
2. Vocational Rehabilitation Comments
3. Parents/Families Comments
4. Employment Specialists Comments
5. Systems Comments
6. Employers Comments
7. School/Education Comments
8. Providers Comments
9. Friends Comments

Those comments that just didn't seem to fit anywhere were usually put in the Systems Comments category. On occasion a comment will appear twice, in different categories by accident or design. Nearly every comment offered was done so with an extraordinary degree of passion, compassion, emotional intelligence, and, that indescribable unless you've been there, infectious Kansas humor. It is the opinion of many researchers that the following information, known as "raw data" from interested citizens living in a democracy is as close as possible we can get to discover the truth known as "The Wisdom of Crowds."

Waiver/Medicaid Comments

People encouraged to select from I/DD waiver options, not work.

New funding mechanisms, getting rid of the milestones and the tiers, can fix a lot but they must be accompanied by policy enforcement.

\$12.24 doesn't incentivize follow along to help people keep their job. Providers want to be paid for a full day service, so the provider can decide who does follow along and how much they'll get paid, and the provider still gets paid for the full day no matter how many hours the person is working or failing.

Self-directed services in Kansas does not allow negotiated rates.

HCBS day service providers can refuse services to people with autism or people who use wheelchairs.

BASIS determines what tiers you get put in. It has nothing to do with your support needs.

Tiered funding, differing rates, and a lot of different levels is too complex inside the tier, only allowing and limiting just a certain number of hours.

Waivers, currently say the money should be pooled at the provider level, not individualized.

Certification programs are needed to make Employment Specialist and Job Coaches a profession with better pay.

DD funding Tiers determine everything, the services, how big the check to the provider is, the individual's needs are not considered, the provider's costs are not considered.

Tiered rates are not working, they limit the number of support hours a person can have without knowing the persons exact needs.

The HCBS waiver is effectively frozen regarding employment by VR in Kansas, all of their delays is the equivalent of denial, so the person just goes to the sheltered workshop or center.

HCBS waiver funding structure must be completely changed.

In the last half of the 1990s the priorities changed to offering families choice, and they chose day centers and sheltered workshops to keep their adult children and the SSI check safe.

Once they took away funding flexibility, got rid of state only funds, and everything became the Medicaid waiver with limited services, there has been no change, no rate increases in 7 years either.

A major change happened in State Medicaid that stopped believing people could work.

VR and Medicaid rates are so low that people don't have access to employment services anymore, providers are dropping employment services and just doing facility services because they are losing too much money.

Medicaid HCBS waiver is seen as a way to reduce services rather than a way to employ and develop people. Either you work or if employment ends you go on HCBS services, in facilities. HCBS services are seen as facilities in the day and group homes at night.

The state got Pushback from CMS on wanting to set a work criteria.

System is perfectly designed to support what you get—in KS, system is designed to get sheltered work.

SE isn't happening in I/DD waiver; use has gone down recently; more congregated sheltered stuff.

Medicaid Buy-in has plateaued—not just I/DD—across Medicaid; very generous terms for individuals; no work requirement—in terms of hours—right now.

Focus has been on fitting people into jobs, instead of Customizing. If systems could be redesigned to allow this—more effective services.

Unintended consequence of waiver—how providers set up programs; expectations of families

Data may not reflect individuals in SE—SE may be funded under day services.

Used to have more flexible funding, not with match...Less flexibility with Medicaid.

18,000 transition age IEPs in Kansas public schools, but only 8000 receiving services through all time in the DD waiver

56.5%: State/Federal match, means we are one of the more well to do states.

Tiered funding structure (DD) gives more influential agencies level 3 and less influential level 4 funding for same people.

No flexibility since they took away all the state funding. It's now all Medicaid with just a few services. What people really need isn't offered.

DD funding Tiers determine everything, the services, how big the check to the provider is, the individual's needs are not considered, the provider's costs are not considered

Pay up-front financing needed to encourage provider economic stability and hiring more employment specialists.

May require re-design of KanCare to provide services above 1115 Waiver and C waiver (already doing some)

Targeted case management through CDDO's, not MCO's with I/DD Waiver

160 people in Tier 1

44 people in Tier 5

“Shared Living” (Like Foster Care) Under Residential Programs

No Communication or Knowledge of what each agency does

KS is at a low point in cooperation/interaction--need a venue for this—talking to each other; come together

Historically I/DD waiver went in direction of sheltered workshops

Segregated settings—hard to move away from; Financial incentives for it

Within KanCare—ability to provide above or non-waiver services—How do we expand this?

Dollars are capped, so use money in ways that meet unique needs. Maybe beyond traditional menu of waiver services

Only self-direction around attendant services, should be expanded to all services

Because of waitlist, people develop bad routines, families need support & take what's available (Workshops?)

Day program funding is supporting Employment—more flexible for providers—providers get paid the same even if the person loses almost all of their hours, providers claim they're still working!

Supported Employment is a service designed for Employment-only providers, group home providers have a conflict of interest.

Sheltered Workshops subsidize Supported Employment

Lack of follow-along supports for including people in community life, not just job supports.

In the 1980s, thirty years ago, there were 2 pots of money: Disability services and Community Living/Community Employment. Then it got combined into 1 and employment isn't a priority.

Persons with Autism and Behavioral Challenges can't find a service provider that will take them.

Everyone is really a #3 tier, or they become a #4 tier when they cut services

Out in the community four at a time, 4:1 ratio at day rate, pays better than SE

Kansas relies on group employment settings, enclaves

Employment Specialists, and the whole system, needs skills training on what individuals with disabilities, their parents, the community, and businesses value

Funding requires face-to-face contact in order to bill at \$12.24 per hour for support and follow along, so you know providers aren't doing that much or they'd be broke.

Higher paying jobs, not just a job.

Increase funding going toward employment.

People with disabilities who use wheelchairs could use more bathroom assistance.

Getting access to services is easier if you choose a group setting.

Community services may not offer 1:1 support like you can get in a sheltered workshop.

Tier funding limits the amount of support and follow along funding, won't allow enough funding to cover the follow along support costs.

Self-directed services in Kansas does not allow negotiated rates.

BASIS determines what tiers you get put in. It has nothing to do with your support needs.

Need to enhance relationships with Business to Business Development Councils.

Not paid for generic job development, not paid for targeted person specific job development, not paid for person specific time at all, must be face to face.

Funding requires face-to-face contact in order to bill at \$12.21 per hour for support and follow along, so you know providers aren't doing that much or they'd be broke.

New funding mechanisms, getting rid of the milestones and the tiers, can fix a lot but they must be accompanied by policy enforcement.

\$12.24, they don't pay \$12.24 an hour, my rate sheet says \$9.00

More than just a job, but other community supports to be a member of community
Keeping connections is important.

Transportation money should follow the person not the facility

People are put in silos for them are you SE or Placement or Day?

One waiver for Group homes, most have 4 + residents

Funding streams all have different rules and agencies dictates to follow

56.5%: State/Federal match, means we are one of the more well to do states.

May require re-design of KanCare to provide services above 1115 Waiver and C waiver (already doing some)

Targeted case management through CDDO's, not MCO's with I/DD Waiver

"Shared Living" (Like Foster Care) Under Residential Programs

Historically I/DD waiver went in direction of sheltered workshops

\$ are capped, so use money in ways that meet unique needs. Maybe beyond traditional menu of waiver services

Only self-direction around attendant services.

SE isn't happening in I/DD waiver; use has gone down recently; more congregated sheltered stuff

Belief of providers that \$ is theirs, not individual's with a disability—workshop business model—why refer out if \$ may go elsewhere; harms the business model

Group homes—"most" 4 + residents

Systems flaws with money incentives—Can't make \$ on employment

We need to change how we spend \$

Making the community accessible—Increase social capital and connection

CMS—how to do this in a way participants are ok with it

People with disabilities who use wheelchairs could use more bathroom assistance.

Getting access to services is easier if you choose a group setting.

Need creativity for people to compete fairly—need support from state.

Training and education needed in state—currently send staff out of state for training and education

Low funding

Nebraska's funding results in longer staff tenure

Vocational Rehabilitation Comments

65 Rehab Counselors—75 total current capacity, not allowed to hire anymore or pay them anymore.

Only option to get on waiver is to go through VR & work

People with disabilities have had humiliating experiences with VR, labeling them as unemployable, having to go out on their own to get the jobs they have today to prove them wrong.

VR Supervisors and Counselors come and go.

Counselors don't get back to person needing services and won't contact provider who referred them, saying it's a conflict of interest. Meanwhile, counselor and supervisor turnover, person doesn't get services.

The purpose of Vocational Rehabilitation is to get people out of poverty.

If you'd see a VR Counselor's desk, stacks, stacks, and stacks, you'd see what's wrong.

I don't know anyone spending money on supported employment these days.

Under the guise of giving people more choices, they refer people to providers with no experience doing the work and they just leave people hanging.

It was working in the 80s and 90s, we were doing it well, then they switched us to performance based payments and then our performance went out the window because it wasn't enough to pay for the cost of somebody good to do the job.

Not paid for generic job development, not paid for targeted person specific job development, not paid for person specific time at all, must be face to face.

New funding mechanisms, getting rid of the milestones and the tiers, can fix a lot but they must be accompanied by policy enforcement.

VR and DD should consider presumptive eligibility and stop spending a fortune in taxpayer money to determine whether someone who went to Special Ed and who's been disabled all his life is really disabled, get rid of the mandatory 30 day assessment.

The guy in charge in our region is despised by the counselors so nothing gets done and they're all leaving.

There are fewer people going to VR services than ever before, maybe not enough counselors is the reason.

People have lost all confidence if they go to VR that anything is going to happen.

VR is sometimes asked for more hours of job coaching to help the person learn the job, the answer is usually no, when it is yes then 30-35 hours are authorized, never more than \$1000 worth of additional job coaching. Providers do it for free until they can't afford to do it anymore.

It would all work better without VR, just use day funding to get and keep the job.

Milestones, pay for performance is not working. Providers cannot afford to get people jobs because the pay is too low.

VR expected the providers would do most of the onsite job coaching with the milestone payment money and was surprised to find how few hours of job coaching the provider is doing and can afford to do.

VR could offer benefits counseling, but won't.

VR policy says 18 months before graduation, but only shows up 6 months before.

VR paperwork takes a long time to get back.

VR and the DD system treat Aging out Foster children differently than they do other children. The adult services process doesn't begin until age 18. Foster Care is privatized, when they age out they leave the Foster Care system, not transferred to the adult system.

The \$4500 in milestone payments are meant to pay for the provider to find and get the person a job, it doesn't pay for job coaching, job coaching is paid at an hourly rate of \$34.

Providers do about an hour a month of job development on each person.

VR keeps coming up with new initiatives to spend money, or sometimes trying to spend money, on things that don't work. So they send the money they don't spend back to the state and don't bring in the federal money, to look like the good guys helping with the state's deficit.

VR will not pay for any services if the person is still a student in school

VR services are not available in some areas of western Kansas.

Endeppendence is their latest idea. It's supposed to get a couple thousand people jobs over five years for \$25,000,000. How is that suppose to happen with no current provider capacity, the people who knew how to do this left the providers years ago, and VR still thinks their milestone payments and job coaching rates are fine. This money will just roll back to the state most of it unspent as usual.

The VR process takes so long that the job is lost before funding happens, it takes months and years sometimes to get through the process.

Vocational Rehabilitation view is that people can and should work in a real job in the community vs. sheltered workshop view is they can't, not enough jobs to go around out there.

Vocational Rehabilitation used to be right of worker after work injury, but this was taken out of law so it is up to the employer and/or the worker's insurance carrier whether they want to pay for Vocational Rehabilitation. If they refuse, the injured worker may ask the state rehabilitation administrator to refer the injured worker to a provider of such services, to be paid for at the injured worker's expense, not at the expense of the company where the injury occurred or the injured employees insurance provider.

Bidder's preferences, KEPI, and other initiatives do not pay providers enough to use them.

Vocational Rehabilitation will only pay if the person's employment success is guaranteed independently, if it can't be then they are crossed off the list as unemployable.

For every dollar the state puts up, the federal government will send Kansas four dollars, but Kansas hasn't matched the federal amount in years in VR. The conservatives in Kansas must like giving their tax dollars to New York and California, I'm sure they match.

Vocational Rehabilitation Services are limited to only 90 days.

Vocational Rehabilitation Services are limited to about 90 days after the person reaches Status 22 before they're closed in Status 26, stability.

There is no limit on the number of days VR authorizes.

VR implementation across the state is inconsistent, turnover and no counselors in some areas.

Regional Director of VR they used to have in Wichita worked with providers.

Getting people with disabilities jobs takes time to invest.

Parents with disabilities are told you don't need supported employment you just need to get a job.

Providers are routinely stopped from acting on opportunities by VR, and the job is lost

Only option to get on waiver is to go through VR and work.

Endeppendence is a new Kansas Project (VR + Matching funds, state partners provide \$; 5 cabinet level agencies coming together (commerce, corrections, KS Dept of Health & Environment, KDADS, Voc Rehab)

WIOA—Looking at how VR can participate in IEPs, may look different because of WIOA, VR may need more staff.

Work program has some flexibility on how much they pay.

Stronger collaboration between VR & schools earlier

Students need Paid Jobs

VR should be there prior to last 6 months of school

VR has 18 month written policy, counselors say 6 months but can't tell people they can't provide services sooner than 6 months, because caseloads, 145 are too big, wish the state would implement order of selection.

Good VRCs are dropping like flies.

VRCs have a caseload between 120-160, up to 200

Number of VRCs is very inadequate.

VRCs are told they can't have a second job.

VR is telling parents/students that they can't fund any services at anytime while student is in school

Need more VR counselors—revolving doors—transition counselors—high caseloads no CRC

VR counselors are dropping like flies—structural/management problems

- salaries
- 32K-38K/year
- can't hold 2nd job

One VR vendor is owed \$40K.

Year and a half to get a new counselor when counselor leaves---120-160 to 200 per caseload

Transition needs to be looked at differently—not preparing for adulthood. Need to do it earlier; younger.

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Better opportunities for collaboration after VR closes cases.

VR does Job tryouts—80 hours subsidized ages; 20 hours job coaching.

Competency: VR should be required to give a list of placement rates for providers so individuals/families can choose competent providers.

VR has said that job coaches need master's degrees and we will pay them less.

VR audit: how was \$ spent? Didn't talk to a single client

VR needs to ask those on the ground how to make things work—need to be listened too...

Use Discovery to get to know the person.

No rehab association, use to be one in Kansas. Lots of collaboration use to occur there. VR no longer can participate. VRCs want to; upper management problem

Dept. of Commerce is wonderful—put VR under WorkForce

VR requires CRCs within 7 years, but position tenure averages 3 years.

Providers Comments

Belief of providers that the \$ are theirs, not the individual's with a disability, they run a workshop business model, why refer out if \$ may go elsewhere and harm their workshop business model.

The only thing providers are really offering is a group home.

Providers are losing staff with 60% turnover, wages can't support them

Financial disincentive when individuals become more self-supporting, provider agency loses money.

Providers holding on to segregated employment model for folks with significant disabilities.

Providers are financially better off with group models; Hard to beat financially lucrative group ratios

Providers can bill every minute when individuals are in Workshop, but can't bill at all when they have natural on-the job supports.

People are put in silos for providers, are you SE, Placement, or Day?

Bigotry of low expectations: Providers need to have higher expectations and changed attitudes.

Providers are routinely stopped from acting on a job opportunity by VR and the job is lost so VR doesn't have to pay anything.

Providers have had lots of training, and lots of staff turnover, after people get trained they leave.

Representative payee's role complicates things, sometimes this is the residential provider agency that may shy away from the benefits complexity and adjustments necessary with employment. The person may have to sign over all the money he or she makes if they live in a group home anyway.

Employers are inundated with unplanned saturation by job applicants whenever a job is open. There are no memorandums of understanding or agreements among providers or providers with the state.

State blames providers and the providers blame the state.

Employers may see people as dirty because some of the provider staff sees them that way.

Recycling jobs, sorting trash, is the only jobs people with disabilities can get.

Providers are not funded to make people more independent, just to be paid to take care of them so they don't have to be in an institution.

Pay is \$9.25 to \$10.00 per hour, can't get people to work for these wages, tried to recruit people from overseas but they wouldn't work for these wages either.

Provider agencies and State agencies are no longer hiring people with disabilities, hiring persons with disabilities is considered by them to be a burden.

Provider agencies and the State puts people in stereotypical "for the disabled" jobs, taking out garbage and trash, sweeping and mopping.

No training for "soft skills," skills other than direct on the employer site training.

Project Search is in 4 sites and should be expanded.

People with disabilities want jobs and more money, are paid nothing or hardly anything now.

Online application process is seen as a barrier, people still going through interviews rather than Supported Employment or Customized Discovery employment methods.

Fast food don't pay, start at 30 hours, now down to 1 hour a week.

People need to speak up and tell them their stories.

Coworkers make fun of us while we're working on the job.

Provider jealousy and competition, if another provider gets one of "their people" a job

Lack of support among providers, case managers, and VR counselors for employment, they all require readiness proof.

Job development is just sending out applications to employers everywhere.

Providers are giving them once a month paychecks, discouraging.

People with disabilities have a hard time getting a job, need support getting a job.

People with disabilities need to tell people what work they want to do instead of just being thrown into an open spot.

Providers, families, VR, and everyone really discourages people from thinking about real jobs, says we are just dreaming.

Getting people with disabilities jobs takes time to invest, the state funders don't understand what the providers know.

People with disabilities don't get jobs because they don't do well in an interview.

People with disabilities are put in groups for convenience.

Agencies make a lot of money off of people working in workshops.

People with disabilities should be able to work 40 hours per week too.

Budget cuts means job coaches must use their own vehicles to transport people back and forth to work.

People with disabilities need different types of jobs than cleaning and fast food, their dream is not to be somebody else's garbage man.

The only friends people with disabilities and their families have are provider agencies and paid advocates. Employers, Church leaders, Business leaders, and Political leaders are missing.

People come off waiting list into a group home and get whatever services are available with that provider.

Need an analysis of the staff turnover costs related to employment. How low pay and people leaving stop the process, drags it out, have to do the same work and ask the same questions over again.

Some providers just want the state to give them the money so they can pay whatever salary they want and do whatever they want with whatever is left over.

Providers need to know how to speak skillfully about integrated community employment.

Standards and quality checks are needed, to ensure fidelity of our employment practices.

Employers are inundated with unplanned saturation by job applicants whenever a job is open. There are no memorandums of understanding or agreements among providers or providers with the state.

State funding sources don't understand this work, don't know all that it takes to get someone a job, about the importance of relationships with employers and businesses.

Persons with Autism and Behavioral Challenges can't find a service provider that will take them.

Need to enhance relationships with Business to Business Development Councils.

We do place and pray today, and poison the [employer and businesses] well, by paying the staff \$8.75 an hour.

Providers try to work with the easiest people that don't need much support because with the milestone payments they can't afford to be out there very much.

Providers try to pay job coaches and the follow along people the least they can because they can't afford to pay a lot and go over what the milestone pays.

Providers try to get people in the easiest minimum wage jobs that don't pay very much and aren't very many hours because with the milestone payments the costs of paying the person has to come under what they get paid from VR.

Providers need to change how we do job development to educate businesses and city leaders.

Sheltered workshops subsidize supported employment.

Financial disincentive to providers when individuals become more self-supporting, providers lose money if someone moves into a tier of services with less support.

The only thing a provider offers is a group home.

Providers are losing staff with a 60% turnover rate, the wages they pay don't support them.

Some providers are using state funds to keep people employed.

Providers get the employees they pay for.

Supported Employment is a service designed for employment-only providers, group home providers have a conflict of interest.

Providers pay follow along support workers \$7.25 an hour minimum wage.

Tension between Providers and their staff. Providers have their own business need to consider, can't afford good staff who'll want more pay. No provider increases in 8 years.

Heart Strings in Overland Park, have employment programs under a bigger umbrella

The MCO's staff are people that moved from agencies because they couldn't do some of the work at the provider agencies they worked at before, at the agencies their hands were tied.

Providers are conflicted, complicated, those who pushed Employment First are also for an "array" of services, meaning day centers and sheltered workshops, because the individuals and families want them.

Be aware of pushing too much, allies may have a hard time supporting too much change because of their current investment in facility based services.

Keep in mind, change is threatening to providers, they are invested in buildings and concrete services, they're resistant

Out of state providers, like ResCare and Mosaic are out of state organizations that run CDDOs too.

Providers and funders have low trust levels with each other. Providers are worried about change, they're reactive to proposed changes, wary of any change proposal

There's a problem with coordination between providers and employers.

VR pays \$34. Providers pay employees between \$8-\$17 an hour based on level off education and tenure.

The way we are trying to get jobs isn't working, companies never respond after reading the resumes we send them.

Providers are interested in how to transition from sheltered work to community employment.

Low rates for providers are an issue.

We need competent providers, need to rework policies to ensure they are competent.

Provider agency staff looks at my employment department fearfully, afraid I might move folks.

The real fear providers have is not serving individuals and families the way they originally promised.

Within an agency, inter-departments look at employment fearfully because if people work then they may want to live independently in the community and need less supports.

Providers want to know if the work takes place off of regular programming hours, like evenings and weekends, will the regular programming day hours still be filled.

While online training is good, what providers need is on-site support (face to face).

Providers are afraid if they collaborate then their funding will be jeopardized.

MCO's control KanCare, they can change the rules on providers.

Parents/Families Comments

Philosophical framework of low expectations has been learned by parents. Without holding parents to the same high expectations, without it, hard to build new policy.

Vision and expectations of parents need to be changed, parents need to know the truth of what happens when their child is an adult in a segregated group home they never imagined.

Parents need an educating seat on city councils, parents need to be taught to advocate early on and sustain their advocacy lifelong.

Parents fear putting their child through failure, their child wants to be with his or her friends that have disabilities, both the parents and the adult participant want to be around others they already know.

Education Services end, there is a loss of security, their adult child is now alone.

Parents want them to just be with their friends, like when they were children.

Parents fear that the person assigned to work with his or her son or daughter in employment hasn't had enough training.

Parent fear their son or daughter will be alone out there in public with someone who isn't as educated as the people who were around him or her in school.

Parents fear because they know their son or daughter hasn't been prepared to work.

Parents fear because their son or daughter has no real work experiences, hasn't had even a real paid part-time job before.

Parents know and fear their son or daughter and they themselves will not have or get the supports necessary for successful employment, so why do it.

Parents and guardians need training and education on benefits, now they see employment as something that causes a loss of benefits.

Parents are afraid of letting go, just want day centers and sheltered workshops.

Need more ways of doing this, more opportunities in rural areas and smaller towns.

Families need a network of other families who children are integrated in the community and working, sharing success stories.

Low expectations of employers, families, schools, and persons with disabilities themselves: can't work and make enough to make it worth enough to try, just go to a disability facility and a disability group home for the rest of your life and let people who don't have disabilities work.

People need to speak up and tell their stories.

Education needed for whole family, siblings, grandparents, etc.

Education Services end, there is a loss of security, their adult child is now alone.

Parents want them to just be with their friends, like when they were children.

Families need a network of other families who children are integrated in the community and working, sharing success stories.

Adults with disabilities are treated like lifelong children, when an adult with a disability is seen in the community without a staff attendant or paraprofessional, authorities are called. In public school para professionals are constantly beside the person

There has been a shift in rights and responsibilities with parents and others forgetting the responsibilities. I just want him to be happy, work might be hard.

Every one wants guaranteed and protected income and are afraid of losing benefits.

Parents and Providers Concerns: Safety, security, stable income (SSI)

Only option to get on waiver is to go through VR & work

Help parents see the bigger picture, their child will be healthier and live a longer active life if working.

Help parents understand all the pieces required for community employment.

The only thing offered to the family is a group home.

Parents have had seen their children have bad experiences individuals in supported employment and they want other options.

Create a vision for parents—help parents see possibilities.

All experiences are unique to the individual—alters expectation.

Golden egg: get off waiting list—this is the end, not what those services can do, or what they are meant for.

Everyone still wants people with disabilities to be kids, people with disabilities want to show people what they can do as adults.

Parents feel there is more support in a facility setting.

Some parents don't want kids to work because of fear of benefit losses.

Parents want day filled, 9am-5pm; Residential wants day filled.

Do families even know there are opportunities other than a group home?

Our kids need to know they can contribute; are valued, that others value them.

Parents are actually ok with movement to community settings, this change is ok, parents want a plan.

Group home = safe/controlled environment.

We should value families and the independence of the individuals.

Value families as collaborators, people who know the person best, use families well and appropriately for the individual.

Need to stop being complacent.

Families of adults raised kids in a different time, different service options.

Parents don't know of alternative/education/training/work.

Day program/workshop fills the day.

Once in, then routine—hard to remove.

Parents don't know most effective tools—current best practices.

Parents come from a history where there were not alternatives—no public schools; families may have debt for example, and happy to not have to worry about their kids.

School/Education Comments

Leaving education system without working is a great harm—those are the years when we gain the foundation of work.

Schools are having special educations students doing work experiences in businesses, helping employers as job shadows, working without getting paid, setting a precedent that people with disabilities can be free labor, why pay for it?

Schools often use a teacher with no training as a paraprofessional just to watch people at the employer's business.

People with disabilities are segregated "for their safety," families and paraprofessionals "do for" so no one knows what he or she is capable of.

When education services end, there is a loss of security, their adult child is now alone.

Schools provide student labor to businesses for free and always have a paraprofessional beside him both in and out of school. No wonder employers look at you funny when you ask them if they want to hire people with disabilities.

Education services for 18-21 year olds depends on the school system, onsite, offsite, employment or not, volunteering, almost always grouped, not individual services, services only during school hours, only work or volunteer during school hours never on evenings and weekends, commonly work in businesses without being paid.

Teachers don't ask at IEP meetings what community job students want after graduation, they ask do you want to work in a community job or not?

Teachers ask at IEP transition meetings, do you have services set up? What services do you need? They don't ask what kind of work do you want to do after graduation.

Parents use to school transportation, school provided breakfast, school lunch, after school snack, after school day care and fear loss of these 10 hours of support when their child grows up, they want a similar adult day facility to take care of them.

School has paraprofessionals that provide 1:1 support, doing a lot of the work in non-paid cleaning jobs for businesses, businesses believe this free labor will continue. If it's not free then they don't need the hassle.

Teachers don't know but need to know their students can be working adults.

Education funding has been cut right where the process should begin.

Adults with disabilities and their families are all alone, not together as one like they were in schools.

Schools shifted from what type of work would you like to do, to, do you want to work? We need to shift the question back.

No state law requiring transition support, not required to invite VR into transition meetings, it's a VR capacity issue.

High School High Tech, Georgia's partnership with private businesses, we need paid apprenticeships for work.

Schools need a stronger collaboration between VR & the schools earlier, prior to the last 6 months of school.

Students need to be in Paid Jobs

Project search doing well but schools don't have resources for job development
Some students in some districts get limited unpaid work experience

District money getting cut. Looking for research on the number of work experiences needed

Olathe has work experience program for 18-21 year olds, but they are not getting jobs

Need families educated on impact of work on benefits

Olathe in 1978—kids left with work knowledge, partnered with summer youth programs.

Transition from school to work should start earlier, connection with summer youth employment programs.

Schools offer 18-21 pre-selected volunteering.

In 1978 students considered "Trainable," 18 of 25 high school age graduated with jobs.

Transition needs to be looked at differently—it's not preparing for adulthood

Transition needs to happen earlier; younger.

Challenging at home, so don't do laundry at school for example.

7th/8th grade, start thinking about career.

Summer employment at 14, like in Missouri.

System Comments

State Systems haven't adapted to federal changes yet: WIOA, CMS Final Rule, USDOJ Olmstead and ADA interpretations, to discourage "services that have an isolating effect"

There is an attitudinal barrier that really doesn't believe people with disabilities can make a living wage through employment, you can throw money at it but nothing will change unless this belief is addressed.

We need consumer buy-in, financial power to purchase their own services, to buy the new ways to deliver services.

Funding streams all have different rules, dictates to follow, uncoordinated and confusing to providers, discourages employment services.

MFPI will be consolidating data, grouping different people together under the same data so you can't tell whose who or what's what, treating everybody like they're the same.

Kansas is at a low point in cooperation and interaction, we need a more permanent venue for this, talking to each other, coming together.

Recommend that the Employment First Oversight Commission re-envision funding of employment services.

Some individuals are using state funds to stay employed.

Transportation is needed especially in rural areas.

We are getting what we are paying for. Paying nothing, getting nothing.

Our only friends are the DD Council, SACK, ARC, Leadership Center, Families, Together, Interhab, DRC (disability rights). The State agencies are not friends of people with disabilities.

We need a vision.

No state law requiring transition support, inviting VR to education conferences

Employment First Legislation not being honored or implemented: 4 years ago words don't match actions, actually going backwards.

Within KanCare it has the ability to provide other services, even non-waiver services, when can we expect this going to happen, when can we expand this?

Because of waitlist people develop bad routines, families need support and take whatever is available, whatever is available, and what's available is a workshop placement.

Transportation is a major barrier.

State officials lost focus on the investment of taxpayer dollars and its impact on supported employment to help create taxpayers.

Thinking all experiences are unique to the individual alters expectations.

Systems lower expectations for families to keep their accountability bar as low as possible.

This system's golden egg is to get off the waiting list. This is the end, not what services can do, not what services were meant for.

Affordable accessible housing just barely exists.

Services should be more than just a job, but other supports to be a member of the community, supports and services shouldn't be working against each other.

In some places people can have whatever they want, group home, day services, just not employment.

20 plus years ago SE was happening, but once person centered planning started employment wasn't emphasized, making friends, having fun, doing things you were interested in was, so we have lost staff with employment expertise going back 20 years.

Tech-Ed, students with disabilities are not included, need a Quota

The purpose of employment is to not be in poverty.

Everyone wants guaranteed and protected income and are afraid of losing benefits. People with disabilities want to not be in poverty. Group Homes need them to stay in poverty to draw down Medicaid.

RCEP/TACE centers went away so people stopped getting training, nobody get the training they need anymore.

Exorbitant cost sharing, requiring people to give up everything they make if they have a job and the live in a group home is a misinterpretation of the law.

Ask the Kansas Department of Transportation what they are doing to provide accessible affordable transportation for persons with disabilities.

Employment is victim to the self-esteem, not skills, movement, feel good about yourself.

Standards and quality checks are needed to ensure fidelity of our employment practices.

BASIS assessment just documents weaknesses and is really for people in nursing homes. It doesn't assess the person's strengths, interests, or current support capacity.

The State, VR, DD, and Medicaid doesn't want to acknowledge the skill it takes to do employment. They want to pay Employment professionals, job coaches, and follow along support professionals the same as day center staff are paid, like they are paraprofessionals.

State funding sources don't understand this work, don't know all that it takes to get someone a job, about the importance of relationships with employers and businesses.

People with disabilities are told you don't need supported employment you just need to get a job.

Choice destroyed employment, the parents chose day services.

Adults with disabilities are treated like lifelong children, when an adult with a disability is seen in the community without a staff attendant or paraprofessional, authorities are called. In public school para professionals are constantly beside the person.

System must be changed to stop our slide backwards, to create flexibility

No flexibility since they took away all the state funding. It's now all Medicaid with just a few services. What people really need isn't offered.

DD Reform Act created 27 CDDOs and the same time that VR went top Performance-based Milestone payments, emphasis went off employment and on to group home expansion.

People come off waiting list into a group home and get whatever services are available with that provider.

Nursing Care Facility Institutions (RCFs) are already the norm for mental health treatment in Kansas.

People in government in Kansas, meaning Developmental Disabilities, Mental Health, Medicaid, and Vocational Rehabilitation stopped believing in the last half of the 1990s that people with disabilities should and could work.

System believes people will need this kind of 1:1 support forever, working people becoming independent is a dream world.

People live in gated communities and everyone is fearful due to media constant reporting of violence instead of good on television. Parents see group homes and day centers as safe havens.

State government needs to support Discovery in customized employment.

Families Together, KS APSE, Beach Center, are our friends.

No one is against employment, just not a priority.

VR may not be supportive of Supported Employment, likes initiatives that nobody uses better. Makes it look like they're trying even if they really are not.

People with disabilities need coworkers, not just other people who don't have jobs either.

People who use wheelchairs can work in real jobs in the community too.

People with disabilities need to respect themselves.

System Discrimination.

Community Education.

We're different but still human.

Everyone still wants people with disabilities to be kids, people with disabilities want to show people what they can do as adults.

I don't think anyone is accessing employment services anymore, they just try to get their child in a group home.

VR and DD system treat Aging out Foster Children differently, the adult services process doesn't begin until age 18. Foster Care is privatized, when the age out, when they can't get money for them anymore, they leave the Foster Care system.

They are not transferred to the adult employment system. You can find some of these children that nobody wanted in the prison system or already dead.

Nursing Care Facilities, institutions called RCFs are already the norm for mental health treatment in Kansas.

DD Reform Act created 27 CDDOs and at the same time VR went to performance based milestone payments, emphasis went off employment and on to group home expansion.

Kansas is missing its social contract that commits, expects, and accepts social inclusion primarily through employment.

Different rates should be considered for persons with autism or persons with behavioral challenges.

A panel of people with disabilities, a speaker's bureau, is needed to inform everyone about integrated employment in the community.

Nobody wants to change anything right now. Everyone's afraid if money is shifted then it won't go to where it's suppose to go, it will just be gone to pay for the state's tax collections shortfall.

The plan of letting the businesses off from paying taxes.

Now we have to pay higher sales taxes on everything we buy.

System must be changed to stop our slide backwards, every year since Employment First our employment outcomes have gotten worse instead of better.

The will to get people with disabilities jobs is there, but we can't find our way.

Representative payee's role complicates things, sometimes this is the residential provider agency that may shy away from benefits complexity and adjustments necessary with employment. The person may have to sign over all the money he or she makes if they live in a group home anyway.

Employment is victim to the self-esteem, it's your choice led by case managers, movement, feel good about yourself.

Families have 90 days to say yes to a group home slot and the day services that go with it or lose that slot.

Words don't match actions. They say this new initiative or this new \$500,000 or several million dollars will make things better, but why don't they just do the everyday work right and stop coming up with some new scheme that doesn't work.

We need to educate legislatures new and old alike on what's going on.

Kansas has lost its creativity and spark. We need to start with the expectation of integrated community employment.

We need to have all stakeholders to be on board to redo incentives. VR doesn't think they're getting their money's worth out of the milestone payments now. Group homes would rather be left alone. Everybody's doing fine, except the people with disabilities themselves who don't have a job, or any money, just stay in poverty. Medicaid thinks it costs more to offer more services.

Hard to have a vision when you see limited options.

Do away with subminimum wage.

We need a safety net: 3 out of 10 don't succeed in their first job if we do a good job, the good news is 7 out of 10 do. 6 out of 10 fail if you don't do a good job, but 85% succeed on the second try.

Advocacy is too quick to guardianship, self-determination means choices, failure and experience learning.

Just refocus the money on the things that work and stop creating some feel good sounds good thing that is just about blaming the providers for not participating and giving the money back to the state to balance the budget.

The rates are too low.

State legislature is uninformed about individuals with I/DD, 5 of 40 are very young.

State staff have been put in positions without expertise or knowledge.

Community thinks Medicaid users are using unneeded services.

MCOs have control over KanCare for the next three years.

Kansas is dealing with paranoia of administration
Administration is using groups against each other

Braiding & Blending money is unheard of, no one cooperates

State agencies afraid if collaborate then funding will be jeopardized, if you act like you want to work together and share it it means you don't really need it.

MCOs control over KanCare—3 year contracts.

Kansas Medicaid saying it can't get expanded Medicaid because needing money to get individuals off of Wait-List.

Scarcity mentality—Zero Sum Game: Example schools and VR won't work together.

Collaboration incentives don't exist, low trust culture for good reason.

Collaboration will be helped by informing families about resources/tools available to request.

No educating families who can't read efforts or who can't speak.

The team vs. "Our Team" mentality.

MCO's who control KanCare can change the rules on providers, everyone keeps their head down, low profile until this storm blows over.

Even Johnson county has a provider capacity issue—not tons of employment providers.

Fear and Safety concerns are well-known.

Success stories, Jobs, own homes, etc. aren't talked about.

Employment Specialists Comments (job developers, employment training specialists, and job coaches)

Going rate of good Supported employment pay is \$10-\$12 per hour with \$8-\$10 more like the average hourly wage for employment specialists.

Follow along support workers make \$7.25 minimum wage.

Skills needed: systematic instruction, assistive technology, marketing, employment law, customer service, Sales, Accommodations, but the people they got doing this only have a high school education.

We need to change how we do job development to educate business and city leaders.

We need stable support staff, have 60% annual staff turnover.

Employment Specialists, job coaches, job developers must be paid at the start \$30,000 to \$32,000 per year. They should be making at least \$15-\$16 per hour.

Wages are even being raised at Wal-Mart above what we pay, how will we compete?

Today we have double paperwork and half the pay.

Need an analysis of staff turnover costs related to employment. How low pay and people leaving stops the process, drags it out months and months, have to do the same work and ask the same questions over and over again.

If they'd wake up and pay Employment Specialists \$25 per hour then suddenly wha-la, we would have all of these skilled people who know what they are doing getting jobs for all of these people.

Employment Specialists should at least make more than a bus driver at \$13.00 per hour.

Employment Specialists wages too low for skill requirements and expectations, should be between \$30,000-\$50,000.

Staff turnover is 60% annually, almost everyone who worked to help support someone is gone in a little over a year.

There's not enough people who want to do this work, let alone at a starting salary of \$10.00 per hour.

Low pay, devalued work, vulnerable people, equals poor outcomes, potentially dangerous for people with disabilities and their families.

Tried to recruit overseas workers to come to Kansas the way other businesses do to get their work done at a price we can afford to pay, but none wanted to do this kind of work.

Job developers need trainers and don't have them, after we help them fill out the applications.

Job coaches need people to get them the job so we can train them.

Better educated and qualified job coaches.

Need reasonable accommodation for online applications.

Job developers are focusing on and talking about the person disabilities to employers not capabilities.

Case managers need a much better understanding of employment, they don't have any, just say it's up to you, your choice, you need services all during the day.

Connections, relationships, use of discovery, should be used to get jobs not answering help wanted signs.

People with disabilities are discouraged from thinking about their dream job, rather than encouraged.

The way we are trying to get jobs isn't working, companies never respond after reading our resumes.

Certification programs are needed to make Employment Specialists and Job Coaches a profession with better pay.

We've had a lot of training and a lot of staff turnover, after people get trained they leave.

Employment Specialists should make \$20 per hour plus benefits.

Employment Specialist are leaving to go to work in other states.

Doing good work, getting good outcomes costs more than current payment structures.

The problem is low pay in Kansas.

There is a lack of cooperation and collaboration in how to use our low funding.

Employment Specialist should be professional enough to educate and market to businesses, to make it easy for businesses to hire people with disabilities, to offer supports to businesses and the individual on an ongoing basis.

Friends Comments

DD Council
DRC
SACK
GHA
APSE
Interhab
SILK
Dept of Commerce
BLNs
Down Syndrome Guild
Mission Project
Johnson County
OMNI
Lives matter
COF
TARC
TILRIC
P&A
Work program
Work is Healthy
United Healthcare
Amerigroup
Sunflower
MaryEllen
The Cabinet Secretary
Craig, Steve, Elizabeth
Presearch foundation Wichita
Disabled Vets Association
Families Together
SBDC
DDC
Disability Rights
APSE
MissionProject

OMNI
LOF
WorkForce Centers
SILC
ILs
Down Syndrome Guild
TARC
Kansas Focus
Minds Matter
Employment 1st Oversight Commission
SBDC
Johnson County Community College
TICRC
Work Program
United Health Care
Sunflower
AmeriGroup
Cerebral Palsy Research Foundation
UCP

Employers/Businesses Comments

Huge problem with keeping relationships with employers because funding doesn't allow support follow along services, even though folks will need the support sometimes.

Need to enhance relationships with Business to Business Development Councils

Employers are inundated with unplanned saturation by job applicants whenever a job is open. There are no memorandums of understanding or agreements among providers or providers with the state.

Employers need to be able to access a type of funding so they benefit directly from the time, attention, and training they are providing the new employee who has a disability.

Employers were taking on the responsibility for free, and now they won't.

Different rates should be considered for person with autism or persons with behavioral challenges.

A Panel of people with disabilities, a speaker's bureau, is needed to inform everyone about integrated employment in the community.

Employers don't give people with disabilities raises as they do other people.

Finding employers that are willing to hire people is hard, everyone's been out there asking them already.

Employers won't hire if they can get students and their para pros to come out and do it for free.

Employers need training to improve their perspectives.

Employers fear liability.

When people with disabilities get sick employer says I don't need you anymore.

Employers think people with disabilities should be paid the same as anyone else doing the job.

Employers help people with disabilities when they use to work for them, they are good references, they are people who will support people.

People with disabilities need more than just a job, they need a career, to be good at a job, not just have a job.

Businesses should be offered incentives to provide apprenticeship training.

Businesses/Employers need incentives for them to hire, everybody in human services gets paid to help people, yet we expect businesses to help them for nothing.

Employers need to be able to access a type of funding so they benefit directly from the time, attention, and training they are providing to the new employee who has a disability.

Employers were taking on the responsibility for free, now they won't.

Businesses anymore don't believe they can trust staff from the disability providers, the training and consistency is less and less.

Employers are confused by the role of the job developer, the employment specialist, the job coach, and the ongoing follow along person. Seems like a bait and switch.

Employers need information on how they will benefit. Why should we do this?

Employers should be integrated in the process, not in job fairs, from the beginning to the end.

Employment Development Councils not Business Advisory Councils

Employers must be incentivized, be paid something, or this is not going to work.

Employers need to be brought in to contradict preconceived ideas people in human services have about them.

Employment Specialist's task analysis could help businesses with all of their work and employees.

Businesses have the perception that they are doing us a favor, work us a few hours like almost like we're still in school working for free.

Businesses and many other community leaders needed to be involved.

Long-term and Short-term Revisions
By
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Deliverable Number 5
Griffin-Hammis and Associates
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The following revisions answer the question:

What can we do now (short-term) and what should we be working on now (long-term) to ensure more persons with significant disabilities are working in integrated jobs in the community at commensurate wages when compared to other citizens without apparent disabilities.

The following is an analysis containing 6 long-term revisions and 60 short-term revisions critically necessary to ensure citizens with significant disabilities in Kansas are employed in good jobs in their communities. Short-term revisions in this analysis for most intents and purposes mean immediate changes. These are changes that can occur at no cost, without interagency agreement, or needing the approval from persons in the highest offices of government. These revisions are meant to correct real or perceived system errors, to give immediate relief in a way that immediately makes at least one particular aspect of the employment of citizens with disabilities more successful.

None of the short-term revisions requires or makes a systems change. Sometimes the revision comes in the simple form of a letter or email to stakeholders informing them of a current policy or practice, bringing clarity, and/or encouraging implementation in a more effective manner. Barriers to making these small, pragmatic, and useful changes may be philosophical, fear that they may really be more than just a simple revision to make things work better, the view that changes need to come in clumps or through big announcements to be sure credit is given, or simply a long history of stasis, doing things a certain way, through, new projects, pilots, and initiatives throughout the years, rather than small but important improvements to already existing services and supports. Hopefully resistance to the short-term revisions will be minimal, if carefully staged throughout a period of 12-16 months.

The 6 long-term revisions in this analysis are only those revisions that represent what may be termed as “fatal flaws.” There are dozens of changes needed but these are the six changes that if left unaddressed will assuredly continue the now 20-year decline in citizens with significant disabilities becoming employed in Kansas. These 6 changes are not easy to do or something that can be accomplished overnight. All would need many months of work and planning, most would take one or two full years to do the job right; significant VR policy and Medicaid Waiver and State Plan Amendment changes are included. None of them would require new taxpayer

resources, but a realignment of existing resources from current activity to actions that ensure a community life working alongside most citizens.

Most of these changes, long or short-term will likely have one or more stakeholders who disagree with one or more parts of the critically needed change. Some long-term revision changes interact or are contingent upon other needed changes. In summary, the short term changes will make things immediately better, while the long term changes will fix critical system failings that if left alone will in the end make most improvements for naught. Most short-term changes require only the will, desire, and time of someone in authority to make it happen. Most long-term revisions will require very busy persons in government to stop or set-aside some current activities now to give the time needed to ensure permanent positive outcomes for citizens with disabilities who want to become a part of the Kansas regular public and private workforce.

Long Term Revisions

1. A comprehensive universal assessment of need (a federal requirement), such as the Supports Intensity Scale, that transitions community supports and services planning from a medical/health model of services at excessive costs, to a developmental and community model of services and supports at reasonable costs. A comprehensive universal assessment of need should be used to allocate individual resources based on individual assessed need. It is a cost-effective remedy to the failings of and an alternative to financial tiered or levels of funding.

Rationale: When from the beginning the assessment is similar to those used for persons entering nursing homes or residential care centers rather than the community, then the results found are highly medical, health, and safety. Most people with disabilities, like most people are not injured or harmed at all by falling, while citizens who are very old are, yet the assessments currently used in Kansas focus on medical, health, and safety care, rather than possibilities for growth and a meaningful life, while putting health and safety in its proper ancillary, not primary, role. The quality of individual service planning via case management is likely to soar with an effective tool to begin the process.

2. A Supports waiver without a residential component is a common, but missing in Kansas, way of providing supports and services to persons with developmental disabilities without encouraging him or her to accept a group home placement. The number of persons in supports waivers in States is typically two to three times greater than the number of persons in residential waivers. Within the new waiver and the current residential waiver, funding for day activity and facility-based vocational activities can safely be shifted by approximately 11% to increase employment support funding by approximately 300%.

Rationale: Why Supports waivers without a residential component are so popular in most states is they cost taxpayers far less than a comprehensive residential waiver; more people can receive the services they need at less cost. More people come off the waiting lists and receive needed services. Families may receive services as close as possible to when their son or daughter graduated from school. Supports waivers keep people from using the most expensive community service, a residential group home, until it is needed.

3. An (i) State Plan Amendment (SPA) for targeted citizens with behavioral health needs specifically focusing on providing Supported and Customized Employment and a few other supporting services with zero new investment of state resources would bring millions of dollars in new federal revenue to Kansas.

Rationale: Without the incredible financial and personal outcome benefits of psychosocial mental health interventions such as Customized and Supported Employment, Kansas is left with but two tools: Pharmacy and Therapy, both at extreme taxpayer costs when compared to their outcomes. The purpose of intervening in the lives of persons with significant mental health needs is not just to keep people out of more expensive psychiatric hospitals, but to improve their lives to the extent that more expensive medical interventions are rarely if ever needed.

4. An essential component for employment success is making nearly all services available as a Self-directed Service (excluding residential and nursing services) to open up the potential of many more persons with the skills needed to deliver excellent employment outcomes. Self-directed employment services, a waiver change, would allow most businesses and most employers to be paid for the discrete hours spent helping the person with disabilities succeed at their new job skills.

Rationale: Self-directed services, when performed within the CMS technical guidance, ensure only those persons with the skills to provide a service, usually a combination of typical provider agency and employer personnel, are providing the service. Self-directed services allows services in more remote areas of Kansas, offers more choices in areas where there are few or no choices presently, and offers much greater flexibility in order to tailor funding to meet the persons exact needs. Self-directed services cost the same or less than services that do not allow choice and self-direction.

5. Create a service rate setting mechanism based on what the State of Kansas determines to be acceptable costs to ensure providers are reimbursed fully for the allowable costs of every service.

Rationale: Several federal courts in multiple jurisdictions have ruled that rates of Medicaid payments must be based on the exact costs to provide services, that states are prevented from trying out a rate to see if it is adequate, and that rates must be substantial enough to ensure access to a choice of service providers. One high court ruling has found that rates must be adequate enough to prevent excessive staff turnover and that service access is being denied when there is high staff turnover, a federal CMS violation. It has been reported by multiple sources in Kansas that annual turnover of personnel to provide services to citizens with disabilities is 60%.

6. An hourly fee for service reimbursement methodology to replace the Vocational Rehabilitation pay for performance milestone payment methodology that has inhibited the performance of employment outcomes in Kansas and other states.

Rationale: Milestone payment methodologies have been forwarded as a new way of providing payment for Vocational Rehabilitation when in truth these milestone and pay for performance block payment schemes have been around for 30 years, beginning in Oklahoma with a cadre of persons who had less significant disabilities than persons used in data from other states. Milestone payments have been tried by most states. The reason why Indiana, Georgia, Kentucky, other states, and hopefully Kansas considered and successfully implemented alternatives to milestone payments is the data proved milestone payment and tiered funding *reduced* the numbers of persons with significant disabilities who became employed, while fully reimbursing providers at an hourly rate based on the provider's exact allowable costs *increased* the numbers of persons with significant disabilities who were employed in their communities.

Short-term (Immediate) Revisions

1. Provide a state priority of Medicaid recommended waiver services list to all case managers with Customized and Supported Employment at the top listing and day center services as the bottom listing, transportation and other services in between
2. Allow self-directed rates to be negotiable.
3. Allow follow-along employment support services to be something more than face-to-face.
4. Allow day services funding to be used to provide support and customized employment supports, with hours of allowable services being converted to

individual, provider by provider, hourly rates acceptable to the state based on provider costs.

5. Ensure all VR referrals are processed fully within 60 days from initial referral. Actual first day on the job must average 120 days or less for persons with significant disabilities such as persons with developmental disabilities and persons with the most significant and persistent mental health needs.
6. Ask families and persons with disabilities at every meeting, including at first application for services: What type of work do you plan on doing in the next year and are you willing to let us refer you to Vocational Rehabilitation and to a Provider of Services to help you with employment and other community-based non-facility supports before we discuss residential services? Ensure families understand that a service is not a place and that we no longer make referrals to places or facilities but for services and supports.
7. Provide training and support and necessary re-training if necessary for all State Medicaid, Vocational Rehabilitation, Behavioral Health, and Developmental Disability State employees (in particular managers, unit supervisors, and directors) on why community integrated employment for persons with the most significant disabilities is the number one priority among a plethora of available services. The key is to help them understand that Supported and Customized Employment is rehabilitation and habilitation methodology, not an end result, but a rehabilitative and habilitative means to an end, employment.
8. Bring integrity to the employment data by removing persons who receive more than half of their supports and services in settings with other persons with disabilities as day services, and by setting a baseline of at least 20 hours working per week, at minimum wage or greater, without constant or near constant staff support as a person in Supported Employment.
9. Refer all children at age 17 to Vocational Rehabilitation to ensure funding from Vocational Rehabilitation is being paid to a provider of employment services as needed in the month of the person's 18th birthday.
10. Create and sign service financing interagency agreements between Vocational Rehabilitation, Medicaid, Developmental Disabilities, and Behavioral Health that are supported by all state agencies.
11. Find and list all disincentives to employment, no matter how minor or major, and provide immediate resolution to any that can be done through a single one-page communication from the state.

12. Create an agreement to be signed by Residential services providers, pledging to support all Supported and Customized Employment efforts, including evening and weekend employment that may require staffing of the group home during the day, this as a signed memorandum of understanding with every residential services provider, updated annually.
13. Allow self-direction of more than attendant services.
14. Require families and persons with disabilities to select which provider(s) will help them learn the skills they need for a particular job when they are actually working as an employee at that particular job, before deciding on the group home placement location and subsequently the provider of residential services.
15. Require persons, stakeholders involved, to prepare for reasons why day center financing must someday be shifted to supported and customized employment financing through the following exercise. Calculate the hourly rate of day services by multiplying the number of persons allowed in a group setting x the hourly rate of payment for day services, divided by the number of persons required for oversight. For example, hourly rate for a day is for example \$3.00 every 15 minutes or \$12.00 per hour x 20 people are the maximum allowed = \$240.00 per hour in potential revenue/1 for one staff member = the state paying \$240.00 per hour for 20 people to sit or stand in a room together doing similar non-employment activities almost every day. If it is usually a 10:1 ratio, say with two staff then the rate would drop to \$120.00 per hour. Note that the current 1:1 face-to-face only rate of payment to providers for supported employment in Kansas is \$12.24 per hour.
16. Encourage providers to provide on average 200 hours of on-site job coaching prior to Status 26, instead of 30-35 hours, by VR Counselors authorizing services after milestone payments are made in 100 hour, then 50-hour blocks.
17. Ensure providers of services cannot discriminate by refusing services to persons with Autism, or others with significant behavioral challenges.
18. Do not allow community group employment settings, work crews or enclaves to be back-filled when a vacancy arises to ensure compliance with CMS Final Rule.
19. Allow people to be in SE, CE, Day, Sheltered, during the same day, just not billed at the same time.
20. Use formal rejection from VR for services, such as being deemed unemployable, as a definitive okay to use Medicaid services for the entire employment process as a habilitative service in accord with the person's

individual support plan that includes supported or customized employment. Any persons subsequently working successfully after VR denial and through Medicaid funding should have their names and circumstances referred to the Kansas State Medicaid Director as Medicaid funds may have been legally, usefully, but unnecessarily used to an incorrect finding of unemployable.

21. Require VR counselors to return phone calls, emails, or any inquiry related to, from, by, or about a person eligible or anticipated to be eligible for VR services, the same day or within 24 hours if possible, but never more than 48 hours after inquiry.
22. VR should authorize benefits counseling.
23. The VR counselor should make contact with the person and their family within the year of the person's 16th birthday to begin the process to receive VR services upon graduation.
24. Aging out Foster Children should be referred to VR when they turn 16 years old, not within 6 months of aging out of children's services.
25. Fully match available VR funding at 21/79, which is essentially a 100% funded program given the subsequent churning and taxation of funds entering Kansas.
26. Do not require that the person's employment success be guaranteed in order to receive VR services or be considered unemployable.
27. Discover the average number of days counselors are paying a provider for VR services to ensure that it is never limited to 90 days while communicating there are no day limits on services through VR to counselors and providers of services.
28. Ensure there is at least one VR counselor available in every county in Kansas and give the name of that counselor or other counselors to the State DD agency and Behavioral Health services agency, updated.
29. Make it clear that VRCs in Kansas are welcome to have a second job without a real conflict of interest, unless their yearly wages are in excess of \$53,000 through VR.
30. VR should ask counselors via a third party, with their anonymity assured, what needs to change to get more people with significant disabilities jobs.
31. Because job tryouts are proven to be ineffective in securing the sustained employment of citizens with significant disabilities at a living wage, a policy

that job tryouts should not be used for anyone with a developmental disability or anyone with severe and persistent mental illness.

32. VR should consider publishing a provider identified but customer de-identified list of placement rates, with employment circumstances 18 months after Status 26 to help persons choose providers.
33. VR should encourage the formation of a professional rehabilitation association in Kansas similar to the one that existed 20 years ago.
34. VR should authorize Discovery methodology for employment development as the only allowable and approved employment development methodology.
35. Integrated competitive employment at a living wage increases and complicates the work of the representative payee, removing this role from the residential services provider may be necessary if there is evidence that persons living in group homes are working less than these same persons who do not reside in a group home.
36. A policy by VR, DD, and BH around the important and proper methods to handle the job application process, emphasizing that filling out the application for employment is something that happens *after* employment has been secured and not ever the initial step of job development. This will prevent people with disabilities from being driven in cars being asked where they would like to apply for a job or applying for jobs online.
37. Persons should be taught the principles of the conservatism corollary to ensure persons with significant needs that are at risk of being devalued in our society are put in employment positions that enhance the person's image or competence. This would mean VR, DD, and BH not authorizing payment for work that would put someone handling garbage, in a filthy environment, sorting (recycling) waste, mopping or sweeping up dirt, dealing with trash, the kinds of job that most people wouldn't want, jobs ancillary to the primary mission of the employer to the extent that the person with disabilities would not be missed if not present and working.
38. VR, DD, and BH should have a policy that ensures the reporting of de-hiring practices involving persons with disabilities: such as persons, for example, who begin working 30 hours a week and are now working 9 or fewer hours, persons with disabilities being on a different and longer pay schedule, like once a month, while other employees are on weekly or bi-weekly pay schedules.
39. A policy that encourages more than one provider of the person's services.

40. A policy that people are put in jobs that they are interested in and want to do, not put in jobs because there is a job opening.
41. An analysis of how often people come off of a waiting list, our put in a group home and receive whatever non-residential services are offered by that provider.
42. A policy that ensures persons with Autism and Behavioral Challenges in particular are receiving VR services and are working in integrated jobs in the community.
43. A policy that ensures the same hourly pay rate for job development, employment site training using systematic instruction, and ongoing follow along and support services. This means the same rate of pay for a job developer or job development activities, for an employment specialist or on site instruction and job coaching activities, and for a job coach, someone providing ongoing follow-along and support services.
44. An understanding that a Medicaid rate cannot be subsidized, that is added to with state or private funds. Medicaid rates are by law considered the total and full payment for a service rendered at the cost of providing the service.
45. Advise that persons should be working on average 26 hours per week at the prevailing wage, without constant paid support present.
46. Advise that potential employers or businesses should never be sent the resumes or vitas of someone obtaining a job through Supported or Customized Employment.
47. Advise to encourage employment taking place in the evenings and weekends without the expectation that previous day program hours are filled.
48. Advise that only persons with experience, education and training in the employment of persons with significant disabilities will be working with the sons and daughters of family members. This guarantees that no one's family member will serve as a training ground or as an employment experiment for a new employment specialist.
49. Parents should be shown the data of how many people with disabilities have experienced mistreatment, abuse, exploitation, and/or neglect in state facilities, how many in group homes, and how many while employed in a real job in the community.
50. Consider a policy that students cannot work for an employer during school hours where that employer receives financial gain (usually meaning that employer would have to pay someone to do the work if the person were not

doing it) and the student is not paid at least minimum wage for the work performed, in line with federal DOL standards.

51. Consider advice that offsite training experiences sponsored by schools must show that the employer's work was impeded, the employer lent help and support that was extraordinary and beyond mere access, proof that the employer showed no financial gain when compared to a similar employer doing similar work without the off site training experience.
52. Consider advise that education offsite employment experiences happen in the presence of qualified professional staff that can offer students systematic individualized instruction, and is not operated with a parapro taking a group of people out with the purpose of transporting them back and forth from the educational setting and watching them while they work at an employer.
53. Advise Schools to ask students and their families that are in their last two years before graduation what kind of work in the community do you plan on doing? Have you found someone to assist and support you in getting and keeping a good job? As an alternative to asking the question: do you have services set up?
54. Advise schools to have long periods of time when students with disabilities are not in the vicinity or presence of parapro.
55. VR Counselors should voluntarily attend at least one IEP meeting in the student's last two years of educational services.
56. Advise providers on the new changes via WIOA, CMS Final Rule, USDOJ Olmstead and ADA interpretations about "services that have an isolating effect."
57. Create a state agency employment coordinating and policy change council of VR, DD, MH, and Medicaid representatives.
58. Ensure Employment is an important part of person-centered planning, that the purpose of life in a wealthy twentieth century democracy is not only to have friendships, relationships, contacts, and connections that make you happy and keep you pleased and busy but to have a life that adds to the well-being of yourself and others in a society to reveres human productivity, working.
59. Advise provider organizations to not have a job developer, then an employment specialist, then a follow along person, compounded with turnover—a host of people (strangers not employed at that business) going in and out of an employer's business, consider one stable knowledgeable person that convinced them to hire a person with a significant disability,

provides the systematic instruction training, and is still there to ensure it all worked out well and continues to work well, known as ongoing support and follow-along services.

60. Make planning for employment an important part of the information gathered prior to putting someone on a waiting list for a group home.

From a Provider Centered System to A Participant Directed Person Centered System of Services and Supports for Citizens with Significant Disabilities in Kansas: An Analysis of Multiple Funding Structures

By

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September 2015

Note: During the final week in preparing this analysis, CMS announced major changes to funding employment supports and services, *highlighting self-direction options for employment support*. An analysis of these very latest changes is included. An * will appear near any piece of analysis throughout that is an issue being potentially exacerbated by the CMS changes or an issue that is being resolved and is in significant agreement with the just announced CMS changes.

Introduction

This is:

- An analysis of multiple funding and support structures, in particular self-directed employment services;
- With the specific purpose to increase provider capacity;
- To ensure a high quality workforce with low staff turnover;
- To create a seamless transition from school to integrated community employment;
- To transition adults from facility-based services to integrated employment in a steady pragmatic manner, and;
- To increase access to paid-work experiences, training, and internships such as Project Search.

The numbers of persons with developmental disabilities, behavioral health, physical disabilities, head injuries, and other disabilities in Kansas and across the nation varies with data interpretation. For the purposes of this analysis of multiple funding structures, we are choosing to only speak about citizens with intellectual or developmental disabilities, and to some degree citizens with behavioral health needs. This does not mean that the information has little merit for citizens with other disabilities. In fact, one of the very first government sponsored self-direction efforts was the Cash and Counseling initiative meant primarily for persons with physical disabilities wanting more choice and control over who would be paid to assist him or her with personal services. Most persons who self-direct services in the United States today are persons with physical disabilities (Reinhard, S., Kassner, and others, 2011, *Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Disabilities, and Family Caregivers.*) Self-directed supports and services are possible for every Kansan with a disability considering this analysis.

About 321.3 million persons live in the United States. In the most conservative estimate less than 1% have a developmental disability (.78%), about 2.5 million people. Of these 2.5 million persons, about 40% receive formal services and supports funded via a government agencies' funding. Kansas has about 1.8 million residents of working age, between 18 and 65 years of age, with .78% or 13,817 adults with intellectual or developmental disabilities. About, 6600 of these citizens receive government funded services and supports, mostly through a Medicaid waiver.

In America, people are free to purchase or not purchase from various providers of goods or services. This is a typical way of doing business in countries that are considered free democracies. In democracies, citizens have many choices of where to buy goods or services, in some other forms of government people have few, limited, or one "choice." This analysis is to make the system of supports and services in Kansas--more American--with more freedom of choice to ensure citizens

with disabilities in the Sunflower State have more options, provider choices, for the employment services and supports they need.

Participant-directed services

The best information on Self-directing Medicaid Services is the National Council on Disabilities (2013) *The Case for Medicaid Self-Direction: A White Paper on Research, Practice, and Policy Opportunities*. Self directed service began with the Robert Wood Johnson Initiatives, the Medicaid Independence Plus Grants to 11 States between 2002 and 2004, and the additional 12 states that were awarded the Real Choice System Change grants. In 2014 the Centers for Medicare and Medicaid Services said in the new Medicaid Final Rule in regards to self-directed services: “We believe it is fundamental for individuals to have control to make their own choices.”

There are some persons in some parts of the United States, not Kansas, who would disagree with the National Council on Disabilities White Paper, seek to limit participant direction of services, and have worked to ensure it is not an integral part of the supports and services offered via Medicaid waivers. Their charges have claimed that parents are hiring strangers that may be harmful via self-directed services, that they already have self-direction because nobody is forcing anyone to pick a particular provider for his or her services, and that it is just a scheme for parents to pay themselves.

All of these contentions have proven untrue when states follow CMS published and recommended technical guidelines for implementation of participant directed services. Without specific guidelines to ensure quality implementation of participant directed services in accord with CMS technical guidance, self-directed services, like anything done poorly and out of compliance, does have the potential to be abused. But, most, including long-standing providers of services, see quickly that participant-directed services are a higher quality way to deliver better services to

persons with disabilities. It allows providers to receive full payment for services based on payment for services rendered as promised.

The four essential components of effective participant directed services are:

1. A universal assessment of need to ensure funding is allocated fairly to the person's individual budget with the assurance that others similarly situated will have similar budgets. Those with greater assessed needs will have larger allocations and those with less assessed needs will have smaller allocations. The allocation of the taxpayer funds must not be firmly tied to historic service use, but to the person's needs relative to others with similar needs.
2. A Conflict-free Case Manager* that is not employed by an agency that also provides services. This Case Manager ensures the services that he or she has written and authorized in the individual plan of services are being implemented to the degree and extent promised. The Case Manager's role is to first write and approve of the person's annual individual plan of services, then to monitor the delivery of those services to ensure they are delivered on time and in a quality manner.

As needed, the Case Manager will amend the plan throughout the year, to ensure the providers of the varied services are delivering those services in an effective manner. The Case Manager authorizes changes in providers if the current providers of services are found less effective than anticipated or promised.

3. A Community Guide (supports broker) is hired by the participant to assist the person with disabilities to locate services, other resources, and people in the community to help implement the individual plan. Persons must have the skills and be qualified to implement the needed services and supports.

Historically disability providers authorized by the State have been the employers of such persons, but the person self-directing services is not limited to only choosing from among traditional providers of services.

The Community Guide's role is significantly different from the Case Manager who writes, oversees implementation, monitors, amends, and ensures quality of the plan. The Community Guide creates the person's individual budget after meeting with potential providers of services while acting on the person's behalf as a services support broker, arranges for the specific duration, intensity, and type of services. The Community Guide returns to assist as requested by the participant of services, often receiving the same utilization reports received by the participant, and to help communicate with the chosen providers of services upon request.

4. A Financial Management Service or fiscal intermediary is hired by the State Medicaid office to collect employment taxes and to pay providers of services who do not have an assigned Medicaid vendor number. Use of a Financial Management Service allows providers of discrete services to be paid for delivering uncustomary habilitation and rehabilitative employment services. These services could include payment to a provider who is teaching and training a person an employment skill as authorized in the person's individual plan of services, usually the person's employer.

To augment the four essential components mentioned above, there are supplemental quality protections that optimize the effectiveness of participant directed services:

1. In addition to the allocation of the individual budget based on assessed need, the provider rates must be based on the provider's exact state allowed costs, individual provider rates based on ***a state's transparent allowable formula****, instead of a statewide rate that does not account for differential

employee pay. This makes it clear that provider's will be fairly paid for the services they render and that a significant amount of the payment to providers will be the wages of those who provide the direct services. Individually-determined provider rates based on state allowed costs* eliminates revenue that may be gleaned via low pay, excessive staff turnover that reduces the providers' financial outlay, grouping people in attempt at economy of scale savings, excessive administrative overhead, etc. Most importantly, it gives providers the revenue to pay those who provide direct services well, to pay benefits, to reduce staff turnover, to encourage and pay for inservice education and training—all essential to improving the quality of service outcomes.

2. A choice from among four different types of providers is critical to ensure real participant directed choice:
 - a) Traditional Habilitation/Rehabilitation providers who have customarily and ordinarily provided facility services including transportation to and from sheltered workshop services, day centers, group homes, work crews and work enclaves, and additionally individual supported employment services.
 - b) Traditional Employment and Community-only non-facility service providers. These are providers that have been providing habilitation and rehabilitation employment and community participation services, some for the past 30 years, as an alternative to persons attending a facility.
 - c) Non-traditional providers who provide services to 1-3 people, who meet requirements for providers of similar services as required by the state, are certified, but not accredited to the extent required of small, medium, and large traditional providers of services. These providers do not have an assigned Medicaid vendor number, using the Medicaid contracted Financial Management Services agency to receive payment.
 - d) Non-traditional discrete skilled service providers, such as the participant's employer, who can deliver very specific habilitation and

rehabilitation services and training necessary for the participant to become fully employed at a living wage, and these providers do not have a Medicaid vendor number and would use the Financial Management agency's services.

**An analysis of multiple funding and support structures,
in particular self-directed employment services**

The alternative funding mechanism most touted to States is the Milestones/Tiered Payments Plan and is being supported by the current federal Employment First Initiative through the Office of Disability Employment Policy*. An analysis of this funding methodology will follow this listing of its key components:

1. Payment to providers only after a pre-designated accomplishment, a milestone, has been achieved. This is to incentivize outcomes and not service delivery.
2. An expectation that funding will be faded is built into all system reimbursements. This is to encourage beneficial outcomes.
3. Payment to providers for on the job supports is directly tied to outcomes such as hours worked. This means that the more hours the person works then, all things being equal, the more the provider will be paid.
4. The payment to providers is determined by a combination of the length of time the person has been on the job, the person's pre-determined level of disability or challenge, and the amount of hours the persons is working.
5. The payments received by the providers of services are rebalanced based on staffing ratios. This means that the amount of payment the provider receives is lessened if the service is delivered to a group of people with disabilities.
6. The payments for community based wrap-around supports, such as community participation and community access services are developed separate from the manner reimbursement is determined for employment services.

An analysis of the milestone/tiered payment structure

For at least the past 15 years, most states have been given the advice to adopt Milestone or pay for performance payment methodology through Vocational Rehabilitation followed by tiered payment systems based on level of need and hours worked on the ongoing follow-along and support services side, usually funded by a long terms supports and services state agency such as Developmental Disabilities.

Prior to 2001, since the beginning of Supported Employment in the mid-1980s, and throughout the 1990s, the widespread reimbursement methodology was an hourly fee for services rate, for both Vocational Rehabilitation and the long-term support agency. In some instances these hourly rates were individually determined based on the provider's exact costs, and the hourly rate was the same for Vocational Rehabilitation and the long term support and follow along state agency. This sameness was the desire to create a neutral funding mechanism that didn't incentivize the provider to jump from or remain inordinately on the Vocational Rehabilitation funding. This way of funding services let the rehabilitation activity itself, the person's need; determine the source of funding without incentivizing the provider to bill more hours. Since the rates all varied for the exact same service and were based on each providers exact costs, there was no profit to be gained by billing more hours.

When the person's need for support was lessened to approximately 20% of the person's time employed, the source of funding was transferred from Vocational Rehabilitation to the long-term funding and support agency. This way of funding services was changed in about 2001, as the adoption of milestone payments became widespread.

Milestone payments were touted as the wave of the future, just as they are today*, and many state Vocational Rehabilitation agencies adopted this pay for performance funding methodology. The results have been a continuous decline in the number of

citizens who've received a job via supported employment in the community, reducing Vocational Rehabilitation and the long-term support agencies financial investment in Supported Employment by one-half (Braddock, 2015).

The problem is simple: Vocational Rehabilitation costs for Supported Employment were about \$7000 to \$10,000 in the hourly fee for service funding mechanism. Since adopting the milestone methodology the Vocational Rehabilitation investment is about half that amount, \$4500 at most in Kansas. Then and now, providers get paid nothing no matter how much work they do or services provided if the milestone is not achieved successfully.*

Milestone Payment Methodology compared to Hourly Payment Methodology

1. Milestone payment to providers is given only after a pre-designated outcome or milestone has been achieved. In Kansas, usually three or four payments totaling \$3500, with \$1000 average additionally approved upon the provider's request for job coaching. Even milestone payment adherents agree, this way of funding services incentivizes providers to only serve persons with less disabilities, less than the number of persons eligible for VR services under WIOA.
2. With the milestone payment plan, the provider begins losing money immediately as payment is given only after success, not for services rendered. The provider must pay salaries and administrative expenses usually over several months in hopes of the result being a successful outcome. The provider gets paid nothing for any work performed if the milestone outcome is not reached, even if circumstances beyond his or her control prevents the accomplishment of a pre-designated milestone.*
3. Under the best circumstances, little more than two of three persons who have never worked in a competitive community job will succeed in that job on the first attempt no matter the payment methodology, meaning providers are on the hook without a VR payment for one out of every three persons

they try to achieve successful community employment for within the community. In Kansas the milestone payment methodology has been successful in securing successful employment (VR Status 26) of citizens with developmental disabilities less than half of the time.

4. With milestone payments, the number of hours the participant works is incentivized to be as small as possible; to lessen the on-site training and support cost outlay. From a fiscal point of view, milestone pay for performance payments encourage providers to only work with persons who are higher functioning, the most capable, with the fewest challenges and disabilities, and for him or her to work the fewest hours possible to minimize provider expenses.*
5. In contrast, the hourly fee for service funding mechanism ensures the provider will be paid the exact costs to provide services to the participant by his or her provider agency. Vocational Rehabilitation routinely determines what is an acceptable amount of hours to pay the provider for the services rendered. For example, someone getting a job through supported or customized employment will routinely need between 30-70 hours for the up front job development/Discovery phase to ensure a successful and lasting employment match. During job site training phase of job coaching, it is routine for the persons to need between 100 and 250 hours of employer/worksite systematic instruction job training and the successful fading of support. Ongoing follow-along and support services are typically paid for by the state long term support agency, from 50 to 100 hours per year, depending on the persons ongoing support needs. Simply put, the usual one time costs are substantial for the Vocational Rehabilitation job development and job site training phases, and less costly annually, throughout the person's lifetime, on the ongoing support and follow along phases of customized and supported employment.
6. The milestone/tiered system has the expectation that funding will be faded and this expectation is built into all reimbursements, VR and the ongoing

follow-along support services.* While it is true that VR's funding involvement is quickly faded under a milestone payment system, the tiered funding mechanism based on hours worked and the persons level of disability ensures the provider will receive continuous and ongoing payment no matter what the persons ongoing support needs actually turn out to be because payment isn't tied to support needs.*

7. It is routine for someone to be successfully case closed by VR Status 26 and working 24 or more hours per week and to find upon re-examination that this person is working on average but 9 hours per week, eighteen months later. Although in a tiered system the provider's payment is greater if the person works more hours,* at some point minimizing the ongoing support and follow along costs becomes a greater financial incentive to the provider than the few thousand dollars difference the provider may make from ensuring full time employment. Because payment in the tiered payment system is tied to the hours the person works ***and the person's level of disability***, providers are incentivized to recoup the maximum amount of ongoing funding possible with the minimum amount of ongoing support and follow-along costs.* For example, given two people with similar needs, it is likely more lucrative to receive \$6500 for ongoing support and follow along for someone who works but 6 hours a week than receiving \$9800 for someone who works 40 hours per week .

8. Although point 7 has merit, the most money that can be made by the provider if the person is extraordinarily high functioning, is working full-time 40 hours or more, and needs little ongoing support. Although the payment rate for someone who is high functioning will be less in a tiered funding system, this financial negative is countered by the payment being higher if the persons works more hours. The end result, whether the rate is higher due to more hours or due to the person's more significant disabilities, *the financial savings to taxpayers of someone becoming employed is largely*

*negated by tiered funding of ongoing support** well above the actual costs to provide these services, and the payments to providers are almost always above the costs to provide the services.

9. Truth be told, tiered funding has been really about giving the providers money beyond the costs of services on the backside to make up for dollars lost in the underfunded up front VR-funded portion of the employment process.* CMS changes *in just the past week* have been designed to bring additional accountability to tiered funding by ensuring that any funding system based on the participant's hours worked and any state tiered funding system submitted to CMS must be based on an hourly rate (See added analysis beginning page 24.)*

10. With tiered follow along support funding, payment to providers varies when the payment is directly tied to outcomes such as hours worked. This means that the more hours the person works then, all things being equal, the more the provider will be paid, no matter the amount of services and supports the provider has rendered.* But, this incentivizes placement in jobs that may pay less but offer more hours. And is a disincentive to work in a job that may pay significantly more, but require fewer hours of work. It also likely further encourages placement of persons who are higher functioning.

11. *Adherents* of milestone/tiered follow along payment systems admit, tiered funded follow along support is an attempt to buttress the tendency to cream when using milestone payments, only placing persons who are among the highest functioning in jobs. With the performance or milestone payment funding mechanism providers are financially incentivized to cream to the extent that the provider is financially encouraged to help only persons with the least disabilities and who work the fewest hours. Milestone payments are supposed to deliver lots of quick VR status 26 closures of persons at a relatively low cost, but many providers are discouraged by the lack of enough

money in the beginning to cover costs.* The end result is that those who do end up working often average only 9 hours a week of work at or near minimum wage 18 months after VR closure.

12. The backside support and follow-along tiered payment system that accompanies the upfront milestone payments says this: Providers, if you get people working more hours then we'll pay you more. This likely further exacerbates, instead of resolving, the issue of creaming since it is more likely the provider will choose persons who are most capable in hopes that they can work the most number of hours for the provider to receive greater payment with least need for ongoing support and follow-along costs.

13. With tiered funding the payment to providers is determined by a combination of the length of time the person has been on the job, the person's pre-determined level of disability or challenge, and the amount of hours the person is working. But the payment to providers being referred to here is not the VR payment to providers. The VR payment in a milestone system is the same no matter how significant the person's disability or his or her support needs.* The milestone payment is in stone, a locked in amount that pays once a milestone is achieved no matter the person's needs or disability. This point is referencing the ongoing support and follow-along payment which means a provider may receive a greater reimbursement if the person has been on the job for a greater amount of time or if the person has a more significant level of disability or challenge, or if the person's number of hours are greater.*

This means that providers may receive greater than average reimbursement in three different ways: by keeping the person working, by working with persons with more significant disabilities, and by ensuring persons are working more hours.* Because the providers are incented by any one of these three factors, providers are incented to just place the highest

functioning folks who are working more hours, are more likely to continue working, and need the least amount of support and follow along services. Placing persons with significant disabilities is a risk to the provider from the very get-go since VR funding is extremely limited and the provider won't get paid if the milestone outcome is not fully achieved. It's a financial risk to the provider if the person is working but a few hours on the ongoing support and follow-along side, unless he or she is being concurrently placed in a day center when not working. Placement in a day center while the person works in supported employment a few hours a week, gives the provider the ability to draw down an ongoing support and following along amount even if the person works 9 or fewer hours a week and, **additionally**, an hourly or day rate for the person's daily attendance at the day center facility when not working.*

14. In the milestone/tiered payment system, the payments received by the providers of services are rebalanced based on staffing ratios. This means that the amount of payment the provider receives is lessened if the service is delivered to a group of people with disabilities.*

This is the same with hourly fee for services rendered reimbursement. It is critical for the success of employment to eliminate any financial incentive to congregate, segregate, or group citizens in any manner, in a facility or in non-facility services. For example in hourly or fee for services funding rendered payment system where for example reimbursement for 1:1 individual service could be \$48 per hour, putting 2 people together would cut the rate in half to \$24 per hour, 4 people means \$12 per hour, 10 people equals \$4.80 cents per hour, and a 20:1 workshop or day center ratio equals a provider payment of but \$2.40 per hour per person. This allows the state to create a true neutral funding mechanism that simply says, group if you must but we're not going to pay you more than what we have determine to be your acceptable costs for doing so, and we are not going to financially incentivize grouping in a day

center or workshop when compared to the rates we are paying for individual employment services in the community.

The tiered funding methodology addresses this in a vague manner by simply lessening the congregate funding instead of cutting it based on an exact staff to person ratio.* While the hourly ratio allows providers to be paid the fair amount to cover acceptable costs no matter the ratio, merely lessening the amount for day center services in a tiered system, likely incents congregation of participants.*

15. The payments for community based wrap-around supports, such as community participation and community access services are developed separate from the manner reimbursement is determined for employment services with milestone payment tiered funding.

*The 3rd, 8th, and 9th Federal Courts have ruled that all payments to providers of Medicaid Services must be based on the actual costs of services and that States may determine what costs are allowable and to what degree.** Proponents of tiered-funding want to incentivize, pay providers significantly more, even if it means paying them more than their expenses to provide the service, for employment services. Setting up separate funding mechanisms, payment structure, for services that are not employment-related, leads to a funding inconsistency that is likely to result in the continued incentivizing of congregate day services, both facility and non-facility.

An hourly payment methodology across all supports and services, including non-facility and facility based services, not just employment, would allow Kansas to set a logical consistent and transparent cost based reimbursement methodology that each provider can count on to pay his or her costs for any worthwhile service that is rendered.

How to Increase Provider Capacity

There are two ways to increase provider capacity: 1) by increasing the current providers capacity to deliver increased services in a higher quality manner; and 2) by increasing the number of additional high quality providers; both methods are needed in Kansas.

Increasing the current providers capacity to deliver increased services in a higher quality manner

1. Kansas Vocational Rehabilitation and State Medicaid should provide an hourly rate of pay that allows providers of services to pay the same as the Kansas average annual teacher salary for nine months of employment for Job Developers/Employment Specialists/and Job Coaches who will make that same salary over twelve months—effectively 75% of a Kansas teacher’s salary.

The average beginning teacher salary in Kansas is \$33,387 and the average salary for all teachers in Kansas is \$47,464. This means that providers would be paid between \$44.51 and \$63.28 per hour, depending on the salary and benefits paid to Job Developers/Employment Specialist/Job Coaches. As a point of reference, A beginning employment specialist who made \$19,000 thirty years ago in 1985 when Supported Employment was beginning would make a beginning salary of \$42,141 adjusted for inflation today in Kansas.

2. Eliminate separate job developer, employment specialist, and job coach positions and create a single position that would provide all Discovery, job development, on site training, and support and follow along services. The title Employment Training Specialist should be considered.

3. Ensure that all payment for Supported and Customized Employment is based on full time employees (100% FTE) providing the supports and services, discouraging all part-time Employment Training Specialists.
4. Eliminate milestone or outcome payments or increase the total amount paid to ensure providers have the necessary resources to provide job development and job site training. If a milestone payment rate is mandatory, the amount of the total payments should be increased from \$3500-4500 to \$11,700 in Kansas, the equivalent of an hourly fee for services rendered payment.*
5. Ensure staff development/in-service training costs are built into the rate at an amount between 2% and 3% of the person's annual salary. This amount is to be used for conference attendance, in-service training by outside or national experts.
6. Eliminate disincentives to community employment by eliminating unintended fiscal incentives to group people. For example, while a rate of \$52 per hour for supported employment, customized employment, or individual time-limited community connection or community access services may seem high, a provider of day services that is allowed to group or oversee up to 20 persons at a rate of \$3.00 per hour is the equivalent of \$60 per hour. It is not uncommon for ratios in workshop or day center settings to generate several hundred dollars per hour, far more than is possible with individual fee for service rendered individual hourly reimbursement. In fact, facility billing is continuous, never-ending, and mostly everyday billing, unlike supported employment or customized employment where the taxpayer does not fund every minute just because the person is working. Note: This is not the case with tiered funding that is mostly based on the provider being paid more if the

person is working more hours even if no Medicaid services or limited Medicaid services of just a few hours a month have been provided.*

Increasing the number of additional high quality providers

1. Allow both traditional Medicaid service providers who have been designated by state Medicaid as a provider of Medicaid services and who hold a unique provider specific Medicaid vendor number, *and non-traditional Medicaid service providers who provider services to 1 to 3 persons or are an employer who is a provider of a discrete on-the-job skill*. Both of these non-traditional providers could be included in the person's person centered plan. Neither of these non-traditional providers would have an assigned Medicaid vendor number, but would provide services under the Financial Management Services vendor number.
2. Encourage new providers of services from current experienced employees of traditional providers by allowing non-accredited but state certified non-traditional providers who are limited to providing services to 1 to 3 persons. These non-traditional providers would use the Financial Management Services (fiscal intermediary) Medicaid contractor to bill for services rendered.
3. Create the following independent single service providers: independent conflict free case management, community guide services (support brokerage), fiscal management services (fiscal intermediary), transportation services, discrete skills providers (employers), etc., and consider the potential of allowing participant-direction of any service to be provided as a sole service provider, such as: customized employment, supported employment, community connection or community access services, etc.

How to ensure a high quality workforce with low staff turnover

1. Ensure that at least 70% of the rate of payment is the salary of the professional directly providing the services, the Employment Specialist.
2. Encourage a performance portfolio system (tied closely to the employee's job description) for the employee's first year of service, that rewards a permanent pay increase after completion of all required portfolio tasks, outcomes, duties, activities.
3. Use at least 2-3% of the hourly rate for funding outside staff development/in-service training, national consultants/speakers/trainers, conference attendance.
4. Pay Community Employment Specialists significantly above other entry level employees, equivalent to many of the organizations mid-level administrative personnel.

To create a seamless transition from school to integrated community employment:

1. Encourage and fund through Medicaid, paid jobs in the evenings, weekends, summers for all Medicaid eligible recipients (using mil levy, local, community tax. donation, or self-pay funding for non-Medicaid eligible students) ages 14 and 15. All employment would be paid at commensurate wage, be individual jobs without grouping of students, customized to the student's interests.
2. Require the Area Vocational Rehabilitation Counselor's attendance at least 9 times annually during the school year to inform and educate how the WIOA requirement that 15% of revenue be directed towards students will be spent in an individual by individual, individual plan and budget manner to support employment during the student's education from ages 16-21.

3. Eliminate all non-paid preparatory, non-paid work readiness, non-paid work experience, or any other non-paid work activity for students with disabilities.
4. Transform all 18-21 age school funded programs to non-facility, non-campus, real community, individual, no-groupings, paid employment at commensurate wage for jobs and community access services with membership in clubs, groups, association, churches, and businesses so that paid human service personnel, including the school paraprofessional is rarely if ever needed to be present.
5. Beginning at age 10, reduce reliance on paraprofessionals for all students with disabilities to the extent that by age 14 there is 90% less time spent in the presence of a paraprofessional or any paid or voluntary personnel other than a licensed Special Education Teacher.
6. Eliminate all non-paid, voluntary, exploratory experiences, to be replaced with commensurate pay for working in a real job in the community alongside other citizens who do not have significant disabilities.
7. Ensure all employment placements during the student's education years are not located in concentric circles around the school facility but are located near the student's home, neighborhood, and community.

**To transition adults from facility-based services
to integrated employment in a steady pragmatic manner**

1. Facilities should be closed in a manner that families, persons with disabilities themselves, and provider agency boards of directors feel that closing such places makes sense, as they are no longer needed.

2. The purpose should never be to close a sheltered workshop or a day activity center, but to build supports and services in the community to the extent that such places are rarely if ever needed.
3. Facility-based services should not be replaced with other services that congregate, segregate, or isolate persons with disabilities in any manner. This means that community participation or community access services should never be delivered to a small group in the community, not even to a group of 2 or 3. Grouping people because of their perceived deficiencies or challenges, rather than strengths and interests, is not made better by making the groups small instead of large.*
4. Always transition one person at a time, which at first will increase the staff to participant ratio within the facility as first one then another staff member will be transitioned to connecting citizens—one person at a time--in clubs, groups, associations, churches, businesses, and employment within the community. After several months, the staffing to participant ratios will return to their previous staffing to participant ratios and then begin reducing further, allowing more individual attention within the facility.
5. Bring in persons who can teach and train personnel how to connect citizens with disabilities to clubs, groups, associations, churches, businesses and employment in a manner that a paid human service worker is rarely needed.
6. Increase pay, education required, and ongoing inservice training of Employment and Community Connection Specialists to ensure the staff turnover rate is less than 5% annually.
7. Continually downsize and then close a disability facility or program when it becomes no longer economically viable and it is harming other citizens from receiving services and supports.

**To increase access to paid-work experiences, training,
and internships such as Project Search**

1. Project Search has become a very successful way to introduce students who have a disability to employment in a manner that builds the students' work skills, credentials, employment routines, and lifetime employment expectations. Employment in hospitals has significantly enhanced the image of persons with disabilities as citizens capable of working successfully alongside other citizens who do not have disabilities.

Although not everyone with a disability has an interest in working in a hospital to the extent that it is likely he or she will make a living wage, Project Search participants have a proven work record in a complex environment, and should be considered by Kansas Vocational Rehabilitation Services as persons with significant disabilities who are likely to succeed in *any* future employment endeavor that matches the participant's strong interests.

2. Every Project Search participant should be concurrently a Kansas Vocational Rehabilitation participant. It is appropriate and likely that the source of funding for a Project Search student who has not been hired should come from a source other than Vocational Rehabilitation or the long terms support and services agency (DD, BH, etc.), such as the local education agency, other state agencies, and adult service providers knowing an investment in Project Search is likely to have a significant impact on the employment of citizens in their service area or region.
3. Paid work for students naturally occurs in the early morning hours before school, in the evenings after school, on weekends and holidays. Due to the historic likelihood of citizens with significant disabilities being employed at the lowest legally possible wage, working an average of 9 hours per week,

attending facilities where they work making less than one dollar per hour, placement in day centers without work, and constant community exploratory day services without employment, non-paid work experiences, where the employer receives some benefit, even nominal, should be avoided. All internships should be paid. Employment training should happen whenever possible in the context of a real job where the person is paid commensurate wages.

4. Discovery is tool to ensure students are matched to a job in a manner that significantly increases the likelihood of long-term employment success. Unlike competitive employment seeking that relies on applying for employment in competition with the general public for a posted job opening, formal resume development, and candidate interviewing, Discovery ensures an employment setting and circumstances that successfully matches individual interests with formal support, from both the employer and the provider of Customized and Supported Employment Services.

State Policy Implications

1. Formal funding agreements between Education, Medicaid, Vocational Rehabilitation, Behavioral Health, Children's Welfare Services, should be common with congruent employment funding and agreement regarding the methodology and payment rates to avoid interference with the habilitative and rehabilitative employment process through financial incentives or disincentives.
2. All persons with disabilities should have the ability to participant-direct any funding available for employment related supports and services, to choose both traditional and non-traditional providers of services, supported and customized employment, with assurance from the state that persons who provide a service must have the skills, abilities, and qualifications to deliver

the services as need in accord with the individual written habilitation and rehabilitation plan.

Analysis Follows Announcement Printed in Full below:

CMS Announces Performance-Based Payment Options for Employment

Services Source: NASDDDS Federal News Brief September 4, 2015 At the HCBS Conference, the Centers for Medicare and Medicaid Services (CMS) announced new performance-based options for funding employment supports through a §1915(c) waiver. In essence, the option allows states to pay for employment outcomes based on a databased average amount of time expected to take to complete the service (based on actual data) and the cost per hour of service determined by the state. CMS would accept a payment structure that includes outcome payments for Discovery or Supported Employment Assessment Service and Report, or Job Development, Placement, Customized Employment Position, as a single unit of service as long as the service is time-limited, has a defined tangible outcome (such as a report or career plan in the first instance, or an actual job in the second). The state must articulate a rate for the service, then use data to develop an estimate of the average amount of service time needed to achieve the outcome. The outcome payment would then be based on the rate times the estimated number of hours. Under this structure, states can also make milestone payments in addition to fee-for-service to reimburse providers when certain employment outcomes are achieved. Payment must be based on fair estimate of effort (based on data) a provider must put in to produce these “above average” outcomes. CMS would also approve a plan to pay per hour worked by the supported employee as long as such payment is based on average percentage of job coaching time necessary to enable a person to retain employment (supported by data at outset and verified at intervals on an on-going basis). CMS also said they would accept tiered outcome payments based on an assessment of an individual’s level of disability. The state must explain in their waiver application or amendment the number of tiers and how the state will

determine the appropriate tier for each waiver participant. If a state doesn't use tiers and instead has one reimbursement rate for everyone, CMS will ask if the state can demonstrate that people at all levels of acuity are getting access to the service and using the service to the same degree. These payment options, CMS, said, "require fiscal integrity structures that ensure a regular look behind at actual hours spent working with individuals to ensure that the estimates used to set payments remain accurate." CMS would not accept payment for a unit "where there is no expectation that any amount of service will be delivered by the job coach." CMS also requires that any structure that involves paying per hour worked by the supported employee must expect fading of paid supports over time, since CMS expects that the longer an individual is in a job, the fewer supports they will need to maintain employment. In addition, payment adjustment is required when a job coach works with multiple individuals in a job site. In the presentation at the HCBS conference, CMS officials stated that this was to avoid incentivizing congregate work arrangements. CMS will also require that there is no organizational or financial relationship between the job coach and the person centered care planner/case manager.

What this means:

- The hourly cost per hour of service must be determined by the state as the basis for allowing states to pay for performance-based employment outcomes payments. No longer can the performance-based outcome payment be set arbitrarily such as \$500, \$1000, \$2500, \$750, etc.
- If a state uses performance-based outcome payment, the payment must be a databased average amount of time in hours expected to complete the service.
- The performance-based outcome payment must be based on the provider rate times the estimated number of hours of service that will be provided.
- States can also authorize the payment of fee for service hourly reimbursement in addition to milestone payments.

- The performance-based outcome payment must be based on an estimate of the number of hours (data) it is going to take to produce the promised outcome.
- The data used to determine the performance based outcome payment is based on the time, the amount of hours worked, that a provider would need to deliver in order to justify the payment.
- CMS would approve a state's plan to pay for hours the supported employee works but the payment of hours x the rate must be based on the average percentage of job coaching necessary, supported by an estimate of the number of hours of job coaching necessary at the outset and verified at intervals ongoing, **adjusted with the CMS expectation that supports will be faded overtime, since CMS expects the longer a person is in a job, the fewer paid supports the person will need over time.**
- CMS also said it would accept tiered outcome payments based on the person's level of disability. It is assumed this would mean level of need relative to other eligible persons with a similar disability.
- If a state decides to use tiers it must explain to CMS how a particular tier was appropriate for an individual, instead of one of the other tiers.
- If a state doesn't use tiers and has an hourly individual fee for services rendered payment mechanism the state must demonstrate how an hourly individual fee for services rendered payments will ensure all persons are getting access to services to the same degree, likely more services and supports for persons with more significant disabilities and less services and supports for persons with fewer significant disabilities.
- CMS is requiring states to have "fiscal integrity structures" that ensure regular look behind, **ex-post facto data collection, of actual hours spent working with individuals to ensure that the estimates used to set any tiered payments remain accurate.**
- CMS will not accept payment for a unit of service "where there is no expectation than any amount of service will be delivered by the job coach."

This however is not at variance from the long-standing CMS policy that services must be person specific, can be accomplished on behalf of the person, such as community job development, without the person present, and also when they are authorized to advocate on behalf of the person with family members, the employer, coworkers, residential support staff, etc., and other community members without the person present. Person-specific job coaching duties must not be and cannot be always face-to-face on the job training, OJT. The failure of just OJT to secure and ensure employment of citizens with significant challenges to employment was an important reason for the creation of Supported Employment in the Rehabilitation Act revisions of 1986. Supported employment was created in recognition of the many variables to employment success and job coaching and is much more than face-to-face training or interventions.

Here is the much earlier guidance from HHS on this issue:

Payment and Contracting Policies

An important aspect of system design for ensuring access to home and community services while promoting cost-effectiveness involves two intertwined topics: payment and contracting for services. Payment policies should encourage the economical and efficient delivery of services, while also enabling a sufficient number of service providers to participate to ensure that the needs of clients are met. Further, contracting policies should foster efficient service delivery and may aid in expanding services availability.

Payments

It is frequently, but mistakenly, believed that Federal policy prescribes precise methods states must follow in purchasing Medicaid services. In fact, Federal policy requirements with respect to Medicaid payments are quite basic:

States may generally not pay a provider any more than the provider charges other third parties for the same service.

Except in certain circumstances (discussed below), a state's payment must be tied to actual delivery of a covered service to a particular beneficiary.

State payment levels must be high enough to attract sufficient providers to meet the needs of beneficiaries.

States are expected to be "prudent buyers," seeking out providers who will furnish services most economically while avoiding providers that have excessive costs.

Within these broad parameters, Federal policy gives states considerable latitude in the methods they use to make payments for home and community services. Thus, states may (and do) use any of a wide range of methods to determine the amount they will pay for home and community services. States may also use different methods for different services. Methods in current use include:¹⁵

Fee-for-Service Price Schedules. The state establishes a uniform payment rate that applies to all providers of a service (e.g., compensating nursing services at the rate of \$35 an hour regardless of the organization furnishing the services). Personal assistance attendant services are frequently reimbursed on this basis.

Cost-Based Payments. The state bases payment rates on the allowable costs incurred by the specific provider, usually accompanied by upper limits on costs to encourage cost-effective service provision.

Negotiated Rates. The state bases payment rates on the specific provider's actual or expected service costs.

Difficulty-of-Care Payments/Rates. The state pays providers amounts that vary based on expected differences in the intensity of services and supports specific individuals require. Such methods seek to improve access to services for individuals with particularly complex needs and conditions.

Market-Based Payments. The state purchases goods and services from generic sources (as in the case of engaging a contractor to install a wheelchair ramp or to connect an individual to an emergency response system offered by the local telephone company).

Medicaid payments for services are unit-, encounter-, or item-based. Units are usually expressed in terms of time (e.g., hours, days, months). Encounters may include contacts--an intervention (e.g., a mental health counseling session) that may differ in duration depending on the needs of the consumer, or various other means of establishing a documentable tie between the payment and an activity on behalf of the individual. Payment rates are tied directly to the billing unit or encounter established by the state. Medicaid accountability requirements mandate that claims for service payment be based on defined activities performed on behalf of eligible beneficiaries. Item-based payments are employed to secure home and vehicle modifications (e.g., installing a van-lift) as well as equipment and supplies (e.g., communication devices). Item-based payments are used for one-time purchases or buying supplies from approved sources. (For managed care purchasing alternatives

see discussion later in this chapter.)

State payment methods for home and community services are not usually reviewed in depth by HCFA during its review of state Medicaid plan amendments or an HCBS waiver application renewal. Such methods may be reviewed in the course of other Agency activities to ensure they comply with basic Federal requirements.

Correcting common misperceptions

There is no Federal requirement that payment may only be made for services furnished "face to face." It is not true that providers may only be paid for the time during which they are providing direct, "hands on" services in the presence of an individual. It can obviously take time for a worker to travel to the individual's home. In the case of certain services, advance preparation may be required. And case managers frequently conduct activities on behalf of individuals (e.g., arranging for an assessment or locating home and community services) that do not require the consumer to be present. When payment policies fail to take such additional time and effort required into account, providers understandably can be reluctant to offer services.

Medicaid payments may be made for all these types of activities, since they are recognized as integral to delivering the home and community service. States may compensate providers for the time they spend in addition to the face-to-face part of the activity in either of two ways: (a) directly, as long as the activity falls within the scope of the service itself (as defined by the state in its Medicaid State Plan or waiver program), and benefits a specific individual, or (b) indirectly, by adjusting reimbursement rates to take into account the additional activities necessary to furnish the service.



U.S. Department of Health and Human Services

Understanding Medicaid Home and Community Services: A Primer

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Policy Research. For additional information about the study, you may visit the DALTCP home page at <http://aspe.hhs.gov/daltcp/home.htm> or contact the ASPE Project Officer, Gavin Kennedy, at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, SW, Washington, DC 20201. His e-mail address is: gkennedy@osaspe.dhhs.gov.

To Continue:

- CMS expects payments to be adjusted to account for a job coach who is working with multiple individuals at a job site to avoid financially incentivizing congregate work arrangements.
- CMS is requiring there to be no organizational or financial relationship between the job coach and the person's case manager responsible for writing and monitoring the individual's plan of care.

Customized Employment Changes

- States are welcome to submit a payment structure that allows outcome payments for:
 - a) Discovery;
 - b) A Supported Employment Assessment and Service and Report;
 - c) Job Development;
 - d) Customized Employment Position as a single unit of service, provided that it is a time-limited service with a defined outcome that can be identified for payment, for example job obtained.
- The payment for any of the above listed Customized Employment or closely related services must be based on the average amount of time (based on actual data) that it is expected to take to complete the service and the cost per hour of service that is determined by the state, eg. 50 hours of service x \$40 per hour = \$2000 outcome payment for example.

Summary:

The timing of the CMS announced changes are fortunate for Kansas. This means changes may be made considering the very latest CMS guidance. **With the big exception of changes to Customized Employment and Discovery becoming new units of services**, the new CMS guidance will do little to encourage providers to provide supported employment and customized employment services.

Many of the CMS changes were designed to deal with the problem of past and current government agent recommendations (self inflicted system wounds) that were at variance with CMS and the Medicaid Act. These recommendations

encouraging states to set up tiered funding systems and to fund them with rates that had little regard for the amount of services provided and no consideration for the provider's actual cost of providing those services.

CMS has mandated that ALL funding systems must be based on the state setting an hourly reimbursement methodology—even for performance-based or milestone payment methods—will bring welcome accountability for the use of the taxpayer's dollars. These changes will make states who desire to set up a milestone payment and tiered funding system of payment more accountable, with routine auditing of the basis for reimbursement, impacting milestone and tiered funding systems with the potential provider to government paybacks whenever the amount of services and costs are less than the amount of the rate paid.

Unfortunately these changes continue the practice of trying to make milestone/performance based and tiered funding systems, the funding systems that have discouraged integrated community employment for many years, better. Hopefully subsequent guidance with Self-directed Employment Services from CMS will finally free Kansas and other State systems to be more creative with the assurance that providers of services will always be fully paid for their costs of providing services.

The providers in Kansas are waiting for an employment financing system that encourages employment of citizens with disabilities in the community, a financing system that made Kansas one of the top states in the community employment of citizens with developmental disabilities in the United States—a system a lot like the one that Kansas providers of services once had, throughout the 1990s.

A Kansas Roadmap to Improve Employment Outcomes
of its Citizens with Disabilities

By

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September 2015

The Roadmap changes numbered (1, 2, 3...) below are changes that could in most circumstances be implemented without additional funding or the need for authority beyond the primary Director of the following services: State Developmental Disabilities Services, State Medicaid, State Vocational Rehabilitation, State Behavioral Health Services or the State Education Department. The Roadmap changes lettered (A, B, C...) below would require cooperation by more than one government agency and a realignment of taxpayer resources. **Under no circumstances is there a recommendation on the Roadmap that will cost additional taxpayer resources.**

The following changes should be considered in the following order:

1. A Policy that confirms to providers that it is fine for people to be in Supported Employment, Customized Employment, a Day Center, in a Sheltered Workshop facility, or on a mobile work crew or in an employment enclave of some kind—**on the same day is okay**. Rates would need to be based on hourly costs, no lump sum payment for a whole day or half day without considering actual hourly costs. This in no way suggests that segregated or grouped options are efficacious. It gives people the opportunity to not have to be a “day activity person” or a “sheltered workshop person” or a “supported employment person,” but can instead begin to choose more integrated,

beneficial, and outcome-based services, without financial disincentives or income lost to their provider of services.

2. Case Managers could benefit greatly from the State Medicaid Office and Vocational Rehabilitation giving non-mandatory advice and direction, a priority list of available services, to Case Managers, with **Customized Employment, Discovery, and Supported Employment as the highest recommended priorities**, with congregated facility-based services, where people with disabilities are grouped together to receive services having the lowest priority. This simple one page guidance letter, a listing of all services in priority order, to case managers would put Kansas in further compliance with the Medicaid Final Rule by encouraging services that do to have an “isolating effect,” and additionally encouraging employment services in accord with CMS guidance of September 3, 2015.

3. Vocational Rehabilitation should authorize **Discovery for employment development as the primary** VR approved employment development methodology. There is a significant difference between assessing/evaluating a job seeker in the traditional manner and getting to know someone through Discovery methodology, his or her individual circumstances in order to make an employment match that lasts.

4. Vocational Rehabilitation and Developmental Disabilities should consider a policy that **discourages** placement of citizens who have not historically been valued for their ability to work, persons with significant disabilities, in **jobs that most other people would not want to do**: handling garbage, sorting rubbish (recycling), employment in a filthy environment, handling waste, mopping or sweeping up dirt or filth, dealing with trash, or any such jobs that are ancillary to the primary mission of his or her place of employment.

5. Immediate **policy guidance on the job application process**, eliminating it as one of the early steps in securing employment for persons with disabilities. This to discourage people from traveling about applying for jobs as a form of job development. This is also to discourage people with disabilities being placed in a job simply because there is a job opening. Instead, helping people find jobs they are interested in and want to do through an efficacious process like Discovery.
6. Where are they now data is critical to **ensure the efficacy of the taxpayer investment** in integrated community employment. Data is routinely reported by states, including Kansas, which show citizens with disabilities being closed as VR status 26 employed and working 20 or more hours. But it has been the case in some states, but not all, where citizens are routinely working on average but 9 hours a week when data is taken after one year. The remaining portion of the week is likely spent in a day activity facility or sometimes in group community activities, similar to time spent prior to the significant investment of Vocational Rehabilitation resources and the continued invest in Medicaid funded ongoing follow-along and support services.
7. Widespread advice should be disseminated to schools and their Special Education departments advising them on what the adult services system, including Vocational Rehabilitation is requesting be said and not said during the conferences held in the final two public school education years. **What not to ask: do you have services set up?** What to ask: What kind of work in the community do you plan on doing? Have you found someone to assist and support you on getting and keeping a good job?
8. Prior to putting someone on a waiting list for a group home, make planning for community employment through **Customized and Supported**

Employment a mandatory part of the information gathered to assist in the selection of the person's place of residence. This as an alternative to people getting in the next open slot at a group home that says yes we'll take him or her, leaving the persons with day center for workshop facility services because that's all that's immediately available.

9. Guidance from State Medicaid on person specific services and the long-standing practice of CMS allowing services to be more than simply face-to-face, ensuring persons can **work on behalf of a specific citizen** with disabilities without him or her being present.

10. Secure an agreement with the Kansas Department of Education that families and students with disabilities will be asked the following or similar questions at every Special Education meeting, beginning in the school year of the student's 14th Birthday: What type of work do you plan on doing in the next year? Beginning with the school year of the student's 17th birthday: What type of work do you plan on doing in the next year? Are you willing to let us help refer you to Vocational Rehabilitation and to give you information about providers of employment services in area? Ensure the family and the student understands that we cannot recommend a place and that we **no longer make referrals to places or facilities but for services and supports.** A service is not a place.

11. Send a survey out to each person's case manager for the purpose of bringing further integrity to **Kansas's employment data.** Persons who work fewer than 10 hours per week on average, meaning they spend the majority of his or her time in services other than employment or without services, would be taken out of the "in supported employment" data. Advise providers of services that the expectation of customized and supported employment supports and services should be a living wage and result in persons working an average of 26 hours per week.

12. Bring written clarity in a guidance letter from State Medicaid considering services for persons with autism, ensuring that all providers of services for persons with developmental or intellectual disabilities are required to have robust services offerings, including **customized and supported employment services for citizens with autism.**
13. **Require employment to be a standard part of every authorized person-centered/personal futures planning process.** Emphasizing that while friendships, relationships, contacts, and connections are critical for happiness, they are also important for discovering social assets, persons who can be of great value to someone who wants to be a productive and employed member of society through real community employment contacts, connections, and relationships.

The above 13 changes can be made at no cost or change in how any service or support is delivered, for Kansas to move forward, the following system changes must be made with the support, direction, guidance, and work of employees of the State of Kansas.

- A. The first need is for Kansas to **implement a new comprehensive universal assessment of need** (a federal requirement), such as the Supports Intensity Scale (SIS), to ensure the reliable and valid allocation of taxpayer resources. Services to persons with disabilities in Kansas today are largely based on the most expensive medical/health model of services, a holdover from the days when these citizens were institutionalized in state-run hospitals. The vestiges of this **costly and unnecessary medical orientation to services** begin with the assessments currently used and currently being considered for Kansas. The SIS is being used in many states and is being considered or being implemented in most others as the preferred comprehensive universal assessment of need to allocate individual resources. Kansas should implement the Supports Intensity Scale and use it to efficiently and effectively assign taxpayer resources to services that make a difference, get

outcomes, and reduce taxpayer costs. The SIS will help eliminate wasteful, ineffective, and unnecessary services and supports.

- B. As soon as feasible allow, following Centers for Medicare and Medicaid Services (CMS) 2015 Technical Guidance, the ability to **self-direct nearly all Medicaid services**, at minimum all employment-related services, with the exception of residential and nursing services. This will ensure significant more choices for families and citizens with disabilities, while ensuring that only those persons with the skills to provide a service will be paid to deliver the service. Self-directed services can more efficiently and effectively use taxpayer dollars.

- C. Change the rates paid for employment services to bring them into compliance with the CMS announced payment option changes, September 3, 2015. **All rates are required to be built on an hourly basis based on actual costs to deliver the Medicaid Service.** This is a much needed and welcome emphasis by CMS of past guidance and will have an immediate impact on any performance-based payment option, tiered funding, or milestone payment mechanism. Financial reimbursement to providers of employment services and supports in Kansas is currently unacceptably low. On the Vocational Rehabilitation side, too much is being spent on job development using dated methods and too little is being spent for job coaching. On the ongoing support and follow along side of funding, primarily Developmental Disabilities or Behavioral Health, too little, \$12.24 per hour face-to-face, is being spent by administrating agencies of the HCBS waivers.

- D. Create a service **rate setting mechanism based on what the state of Kansas determines to be acceptable costs to ensure providers are reimbursed fully for the state-determined allowable costs for every service.** Federal courts have upheld CMS policy that rates paid to providers for services rendered must be based on costs. States are prevented from

trying out a rate to see if it is adequate. The rates of payment must be substantive to the extent that they ensure access to a choice of service providers. Excessive annual turnover of personnel by provider agencies has been seen evidence of a state's payment system's inadequacy to ensure access to services.

Continuing needed no cost policy and practice changes.

14. **Refer all students at age 17 to Vocational Rehabilitation** to ensure that funding from Vocational Rehabilitation is being paid to a provider of customized and or supported employment services as needed to begin, if the person is not already employed at a living wage, in the month of the participant's 18th birthday.
15. Create a list of **current disincentives to employment**. Order disincentives from those that may be resolved by bringing clarity to field practice of already existing policies via several one page letters of guidance, to those disincentives that can only be resolved with an infusion of new additional taxpayer resources. There should be policy and practice changes in between these two, such as retraining, new state policy guidance based on federal changes, additional no-cost service and practice options, simple no cost waiver or state plan amendment changes, and service and support financial rebalancing.
16. A state policy that **prohibits back-filling vacancies** in sheltered employment work crews on enclaves to ensure compliance with CMS final rule guidance.
17. A policy that encourages service participants to select the best provider available for the needed service, meaning that most participants will have **multiple providers** of needed services.

18. The State should complete an analysis of persons coming off the waiting list and into residential services to see if significant correlations exist in some areas of Kansas where the choice of what happens during the day, employment, day facility, workshop, etc. may be more **correlated** to the persons location and choice of residential provider than to the person's individual needs and **opportunities for choice**.

19. Consider advice that **offsite training experiences sponsored by public schools** must show that the employer's work was impeded, that the employer lent help and support that was extraordinary and beyond mere access, in other words, proof that the employer where the offsite training experience occurs showed no financial gain from the work provided by the students compared to a similar employer doing similar work without the off site training experience, **in accord with USDOL**.

20. Advise providers of all waiver and state plan amendment services about the **changes in the CMS Final Rule, the September 3, 2015 employment financing guidance**, and the USDO Olmstead and ADA interpretations about "services that have an isolating effect."

Additional needed Systems Changes:

- E. The current all or nothing approach with citizens who have developmental and or intellectual disabilities receiving a waiver that contains residential services, should be replaced with a second much more cost effective **1915 (c) waiver that does not contain a residential services component**. Two waivers for citizens with developmental disabilities would cost Kansas's taxpayers less than the current single residential waiver. This second waiver, known as a Supports Services waiver and used in more than twenty states, has specific purposes of putting people in supports and services that

are extensive enough that placement in a residential waiver outside of their parent's home is not needed, sometimes for decades. The key to the most successful supports waivers is the provision of support and follow along employment services, following Vocational Rehabilitation Customized or Supported Employment training. The ongoing cost of support and follow along services is between \$3500-\$5000 per year, at least **nine times less costly** than the current Kansas Residential waiver.

- F. Citizens who have behavioral health needs, such as citizens with significant mental illness, would benefit greatly from a **1915 (i) State Plan Amendment** that shifts treatment and intervention costs in a pragmatic way from a pharmacological approach to supports and services to a psychosocial approach to supports and services featuring the evidenced based methodologies of customized and supported employment services.

Continuing needed no cost policy and practice changes.

- 21. **Allow day services funding to be used to provide supported and customized employment services**, with hours of allowable billable services being converted, provider by provider, into hourly rates acceptable to the state's guidance on allowable costs.
- 22. Provide training, support, and **retraining as needed**, for State Medicaid, Vocational Rehabilitation, Behavioral Health, and Developmental Disabilities services state employees (in particular managers, unit supervisors, and directors) on the reasons why Employment First and community integrated employment for persons with the most significant disabilities is the number one state priority from among all available services. The key to success is the

understanding that Supported and Customized Employment are Rehabilitation and Habilitation Methodologies and are not end results. They are but evidenced-based means to an end, employment in a real job, making a living wage in their community.

23. Create and sign an interagency service **financing agreement** with dollar commitment projections between Vocational Rehabilitation, Medicaid, Developmental Disabilities and Behavioral Health, supported by all state agencies.

24. Create a **Residential Services provider agreement** pledging their support of Employment First and the States efforts to increase Supported and Customized Employment. Key to emphasize in the signed agreement is their verifiable support based on results of people with disabilities, who live in group settings, working in jobs during the evenings and on weekends, with shifts in staffing for persons who may be home during the day.

25. Allow persons to **self-direct** Supported Employment, Customized Employment, and 1:1 Community Access, community participation services.

26. Bring the hourly rate services formula in line with the September 3, 2015 CMS guidance to **ensure all payment rates are based on actual provider hourly costs**, such as Supported Employment or Customized Employment at \$48 per hour for a 1:1 service provided by someone who is paid \$36,000 full time to provide such services, with the implication that a 6:1 service provided by a person in a group setting would be at a rate of \$8 per hour, or that a 20:1 ratio for some large group day activities would be paid at \$2.40 per hour.

27. Have a 90-day limit agreement with Vocational Rehabilitation that determines the person as unemployable through VR if VR services have not begun. This would free Medicaid services to be spent for the entire employment process as a habilitative service in accord with the person's individual support plan

that would include Supported Employment, Customized Employment, and Discovery. Because Vocational Rehabilitation has a significantly more Kansas taxpayer friendly match than Kansas Medicaid funding, it would be important to keep data on the numbers of persons that were deemed “**unemployable**” through VR and determine what future policy enforcement steps could be appropriate in the future to ensure the most economical use of the Kansas taxpayer’s resources.

28. Vocational Rehabilitation or Medicaid as clarified in the September 3, 2015 CMS guidance, should authorize **benefits counseling** to increase parent’s interest in assuring his or her son or daughter becomes employed.
29. A plan between Vocational Rehabilitation, Children’s Services, Developmental Disabilities, Behavioral Health and Medicaid should detail that children/young adults are a part of the same employment policies afforded to other young persons in Kansas. This would ensure reasonable system accommodations are in place so that **children aging out of foster care** may make a timely transition to adult employment.
30. Multiple **Vocational Rehabilitation policy reforms**: phone call return policy, student referral while still in school before 18th birthday policy, VR services beginning within 90 days of leaving school policy, fully match federal monies available policy, no guarantee of employment success policy, over 90 days VR services policy, counselor for every Kansas county policy, VRCs second job policy, VRC confidentiality assured suggestion box policy, a tryouts policy, a publication of VR vendor performance policy, a VR policy on a statewide professional rehabilitation association, a job developer, employment specialist, support and follow-along services hourly pay rate policy, a voluntary attendance at student’s IEP meeting during last two years of a student’s education policy, representation on a statewide employment coordinating and policy change committee.

Summary

It is critical for Kansas to move beyond pilots and special initiatives to making the changes, including systems and service financing changes necessary to improve how the hundreds of millions of dollars are spent annually on behalf of its citizens with disabilities. There is no good reason why Kansas has one-third fewer citizens with disabilities working than the average state. The money is there. Significant changes in where and how it is spent are overdue.