

The logo for LEADCenter, with 'LEAD' in blue and 'Center' in green, underlined.

LEADCenter

WIOA POLICY DEVELOPMENT

**Achieving Employment
Outcomes:**

**Value and
Performance-Based
Payment
Methodologies that
Work!**

**NATIONAL HCBS
CONFERENCE**

DECEMBER 8, 2021

Welcome

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Today's presentation *highlights* a new publication from ODEP.

LINK TO PUBLICATION:

[Value-Based Payment Methodologies to Advance Competitive Integrated Employment: A Mix of Inspiring Examples from Across the Country](#)

Value-Based Payment Methodologies to Advance
Competitive Integrated Employment:
A Mix of Inspiring Examples from Across the Country

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Distinguished Guests

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Quickly Stating the Obvious

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

WE
HAVE
TO DO
BETTER



The Majority and Minority Opinions

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

Too few believe...



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

Addressing Funding Structures: the Growth of “Rate Restructuring”

- States, counties and managed care organizations increasingly want to assess not just *how much* is paid for various services but *how* payments are made...in other words, the specific methodology used to pay.
- Discussion is moving to how to pay for outcomes and quality (*Value-Based Purchasing*), rather than reimbursing for the amount of services delivered.
- The *direct service workforce crisis* further necessitates doing more than just raising fee-for-service rates. The move to Value-Based Purchasing can *produce better outcomes with less direct service workers* needed to do so.

A Key Starting Point for Success

Being willing and able to recognize when **existing payment structures and the built-in incentives** do not contribute to the better outcomes desired...
and **may even undermine the better outcomes** that are desired.



Win-Win Outcomes Balance the Advantages for Funders and Providers

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



Inspiring Examples



Critical Pre-Employment Services Paid on an Outcome Basis



Principle: Have a service that can meet people where they are at

- Led to creation of **Exploration** service to enable people to make an informed choice about pursuing CIE
- Time-limited service to be completed in one month
- Service must include specific set of activities completed by qualified Job Coach

Employment Exploration	Performed by Qualified Job Coach
Cost of Job Coach Hour of Service	\$32.65
Average Hours to Complete Service	40
Outcome Payment for Service	\$1,306

Results to Date: 1,676 people received service with 77% choosing to pursue CIE

Discovery as Best Practice Service Paid on an Outcome Basis: **Using Best Practice Alternative to Traditional Assessment to Facilitate Successful Engagement with Vocational Rehabilitation**



Discovery	Performed by Qualified Job Developer
Average Hours to Complete Service	50
Cost of Job Developer Hour	\$38.00
Outcome Payment	\$1,900

Discovery Acuity Tier	Tier 1 (Lowest Acuity)	Tier 2-3 (Medium Acuity)	Tier 4-6 (Highest Acuity)
Average Hours to Complete Service	35	40	45
Gross Cost Per Job Developer Hour	\$49.39	\$49.39	\$49.39
Outcome Payment	\$1,728	\$1,975	\$2,222

Moving Beyond Straight Fee-for-Service

Part of the Solution to the Workforce Crisis



- Pay for outcomes and quality involves supporting providers of service to build their budgets in ways that ***no longer focus on maximizing the volume of service delivered.***
- **Providers interested** in making this shift if they can:
 - ***Reduce the number of direct service workers they need*** and
 - ***Get paid better for providing less – but more effective – units of service*** by enabling individuals with disabilities to be more independent, better able to rely on natural/community supports and utilize technology to address support needs

Opportunity to leverage provider support for moving away from fee-for-service has never been better.

Incremental Steps: Modifying Fee-for-Service Structures in Tennessee

- A tiered and risk-adjusted fee-for-service reimbursement rates to begin to incentivize fading

Excerpt from complete reimbursement model:

7-12 Months on Job	Lowest Acuity Level <60%	Lowest Acuity Level 60-79%	Lowest Acuity Level 80-100%
Coach Hours as % of Hours Worked by Person	Rate is 12% More than Standard Hourly Rate	Standard Hourly Rate	Rate is 15% Less than Standard Hourly Rate

- Provider can earn higher fee-for-service reimbursement rate when more fading is achieved by **the state reinvesting a portion of savings** from fading in the higher rates paid to the provider

Incremental Steps: Modifying Fee-for-Service Structures in **Tennessee**

- **Layering quality payments on top of fee-for-service** individual job coaching rates to achieve policy goal of **increasing average hours worked by individuals working in CIE.**
- Average hours worked is currently 11 hours/week.
- \$1,500 if person worked between 390 and 519 hours in prior six-month period: an average of at least 15 hours but less than 20 hours per week
- \$2,000 if person worked 520 or more hours in prior six-month period: an average of at least 20 hours per week
- **Quality payment can be earned by provider, up to twice a year**

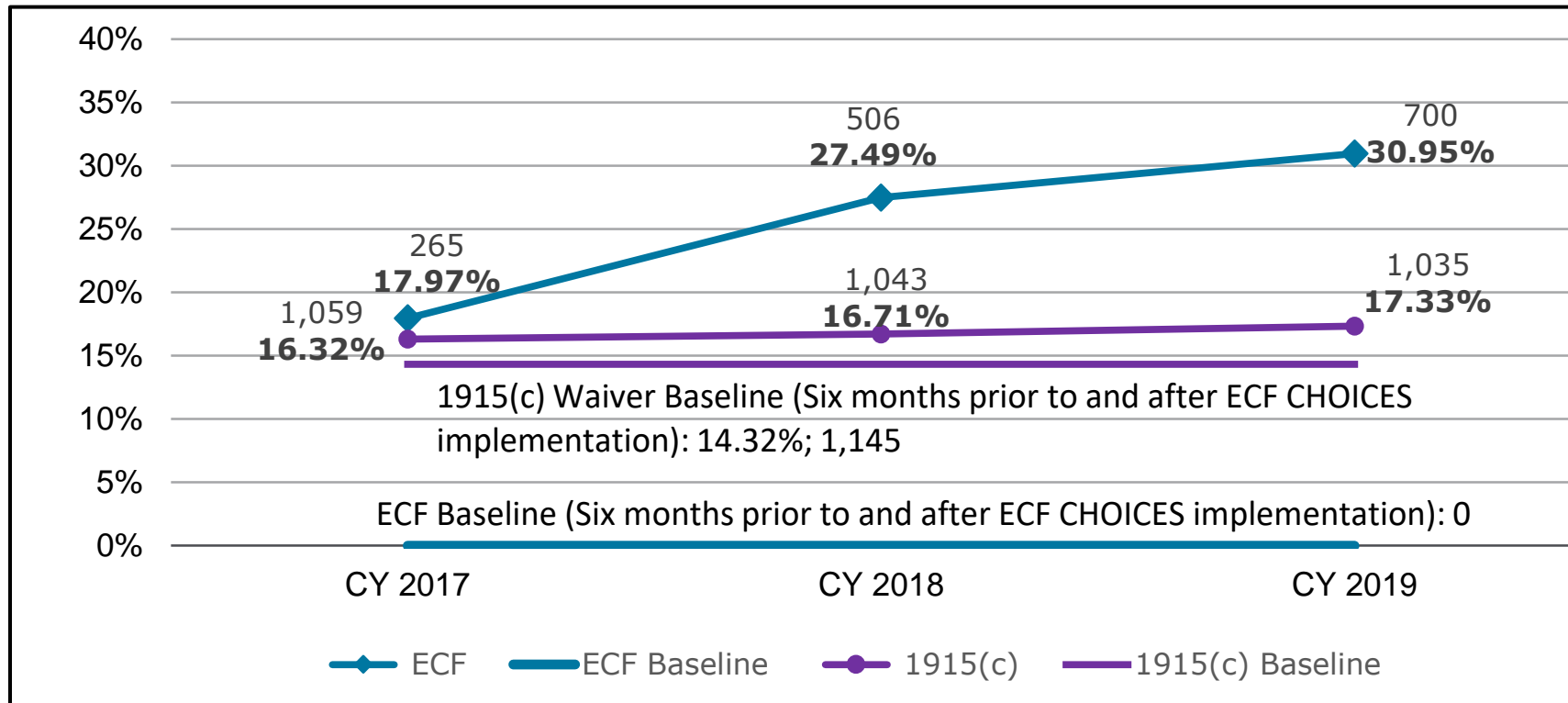
Competitive Integrated Employment Outcomes in **Tennessee**

- **New LTSS program (Employment & Community First CHOICES)** for people with IDD where outcome and value-based purchasing utilized
- Vast majority of enrollees entered the program **without** CIE
- **Employment rate** among adults reached **31%** in just 3 years
- **Average hours worked** = **17.3** hours/week



Competitive Integrated Employment Outcomes in Tennessee (2)

Objective: Increase the Number and Percentage of Working Age Adults with I/DD Enrolled in HCBS Programs who are Employed in Integrated Setting Earning at or above the Minimum Wage [ECF CHOICES vs. 1915 (c) Waiver]



Competitive Integrated Employment: Cost-Effectiveness Data from Tennessee's Employment and Community CHOICES Program

Evaluation Time Period	Total Hours Worked in CIE by IDD Members	Total Job Coaching Expenditures	Total Job Coaching Hours	Job Coaching Support Percentage	Cost Per Hour Worked
January-June 2021	303,165	\$322,912	12,434	4%	\$1.07

Job Coach Fading Plan Required with Every Job Coaching Authorization

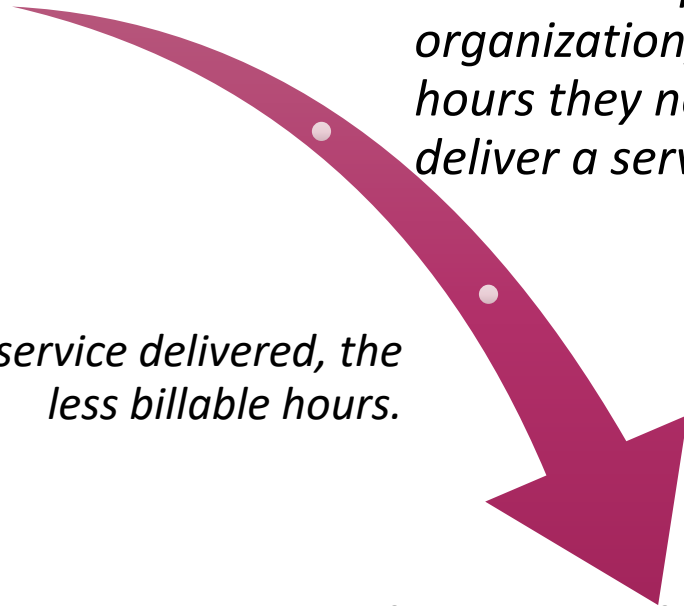


Move to Fully Outcome-Based Payment Structure for Supported Employment

The paradox when paying by hour of service.

The more capable an organization, the less hours they need to deliver a service.

The less hours of service delivered, the less billable hours.



The more capable organization receives less funding as a result of being more capable.

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

In fact, they may earn less.

Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Wisconsin (2012)

Payment-per-hour-worked reimbursement model to incentivize multiple best practices, including: **fading through use of systematic instruction/natural supports/technology; helping people maximize their hours worked;** and **prevention of job loss.**

Acuity Tier	0-11 Months on Job: Average Coaching Level	12-24 Months on Job: Average Coaching Level	25+ Months on Job: Average Coaching Level
Tier 1	95%	78%	60%
Tier 2	80%	60%	45%
Tier 3	60%	40%	30%
Tier 4	35%	30%	24%



Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Wisconsin (2012 to Present)



Payment-per-hour-worked pays for quality outcomes including **maximized independence from paid supports; maximized hours worked; minimized job loss.**

Acuity Tier accounts for Level of Challenge to Encourage Equitable Access to CIE

Acuity Tier	0-11 Months on Job	12-24 Months on Job	25+ Months on Job
Tier 1	\$30.40	\$24.96	\$19.20
Tier 2	\$25.60	\$19.20	\$14.40
Tier 3	\$19.20	\$12.80	\$9.60
Tier 4	\$11.20	\$9.60	\$7.68

Rates Paid Per Hour Worked are Based on Job Coaching Cost Per Hour of Service:
\$32.00
 Verified by Provider Cost Reporting

Initial Outcomes and Impact in Four Counties

35% growth in number of people working in CIE

6-Year & 9-Year Outcomes and Impact in Four Counties

6-Year Mark:

70.6% growth in # working in CIE

9-Year Mark:

92.2% growth in # working in CIE

Initial Outcomes and Impact: Far NW WI

Two Years Post-Implementation

31.6% growth in number of people employed in competitive integrated employment.

105% growth in hours worked by members working in competitive integrated employment.

56% increase in average hours worked per month for members in competitive integrated employment.

Cost-Effectiveness and Quality:

CY2013: Average cost per supported employee hour worked was **\$9.93**

CY2016: Average cost per supported employee hour worked was **\$9.70**

CY 2018 (Jan-May): Average cost per supported employee hour worked was **\$9.75**

Cost-Effectiveness with Better Outcomes for Individuals:

CY2013: Average cost of supported employment hour was **28% less** than a prevocational services hour

CY2016: Average cost of supported employment hour was **20% less** than a prevocational services hour

CY 2018 (Jan-May): Average cost of supported employment hour was **20% less** than a prevocational services hour

Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Oregon (2014-15)



Payment-per-hour-worked pays for quality outcomes including: **maximized independence from paid supports; maximized hours worked; minimized job loss.**

Rates Paid Per Hour Worked are Based on Job Coaching Cost Per Hour of Service Verified by Provider Cost Reporting

Job Coaching Payment Per Hour Worked	Category 1 (Lowest Acuity)	Tier 2-3 (Medium Acuity)	Tier 4-6 (Highest Acuity)
Job Coach Hourly Wage Rate Assumed	\$17.27	\$17.27	\$17.27
Cost Per Job Coach Hour of Service	\$51.70	\$57.35	\$64.41
Fading Target for Initial Phase (1-6 Months on Job)	60%	80%	100%
Payment Per Hour Worked - Initial Phase (1-6 Months on Job)	\$31.02	\$45.88	\$64.41

Accounts for Level of Challenge to Encourage Equitable Access to CIE

Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Oregon (2014-15) ⁽²⁾



Payment-per-hour-worked pays for quality outcomes including: **maximized independence from paid supports; maximized hours worked; minimized job loss.**

Rates Paid Per Hour Worked are Based on Job Coaching Cost Per Hour of Service Verified by Provider Cost Reporting

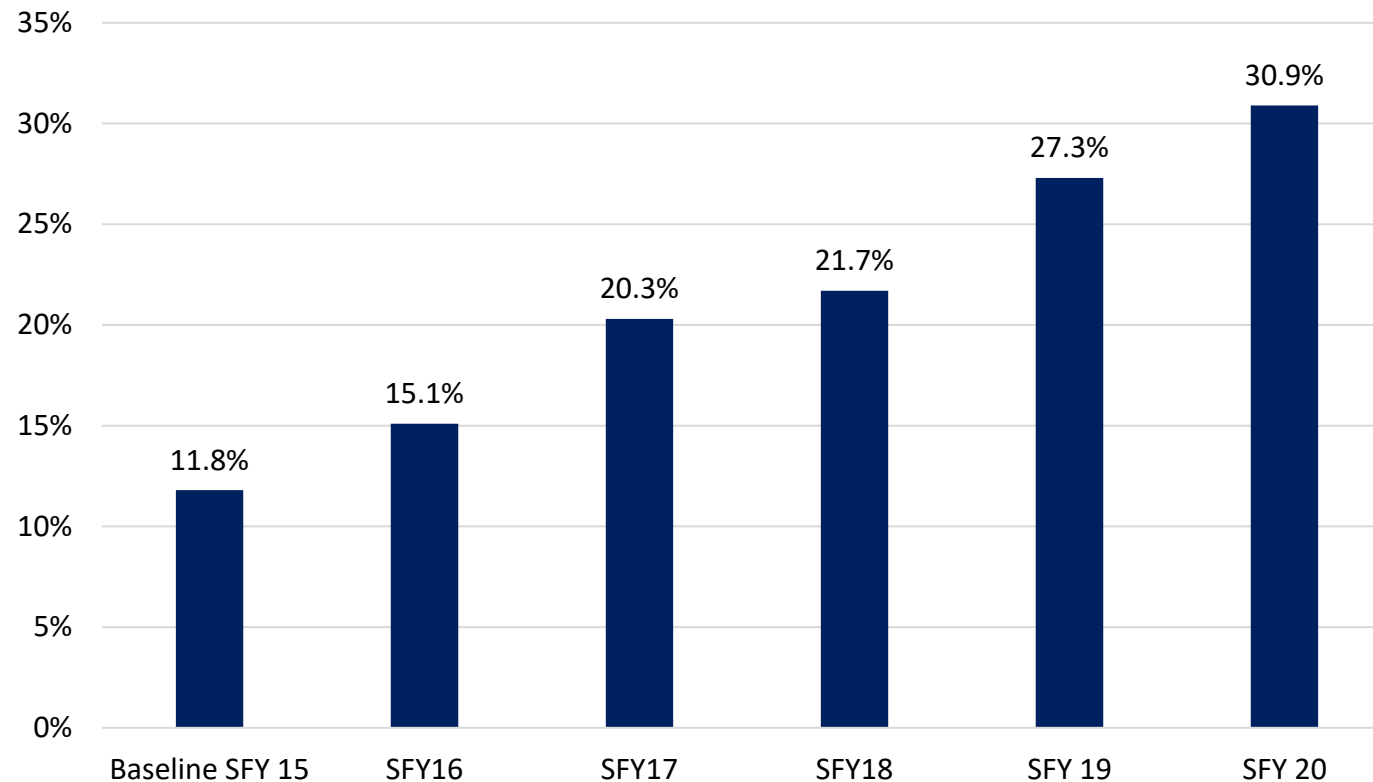
Job Coaching Payment Per Hour Worked	Category 1 (Lowest Acuity)	Tier 2-3 (Medium Acuity)	Tier 4-6 (Highest Acuity)
Fading Target for Ongoing Phase (7-24 Months on Job)	50%	70%	90%
Payment Per Hour Worked - Ongoing Phase (7-24 Months on Job)	\$25.85	\$40.15	\$57.97
Fading Target for Maintenance Phase (25+ Months on Job)	40%	50%	80%
Payment Per Hour Worked - Maintenance Phase (25+ Months on Job)	\$20.68	\$28.68	\$51.53

Tier 4-6 accounts for Level of Challenge to Encourage Equitable Access to CIE

Outcomes After Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Oregon



Impact of **Payment-per-hour-worked** reimbursement model:

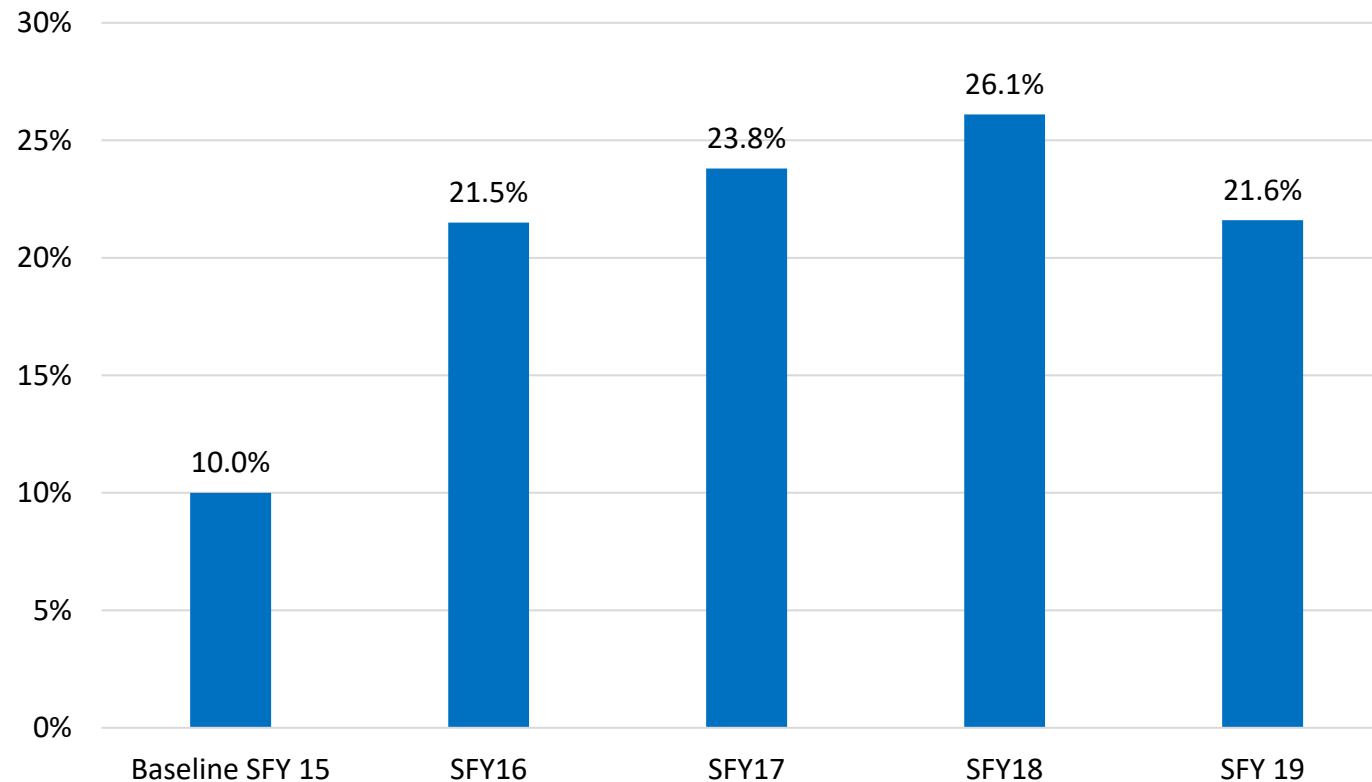


Increases in **percentage** of people with IDD receiving employment services that are working in CIE since outcome-based model introduced.

Results After Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Oregon



State has seen **significant growth** in people working **20+ hours per week**

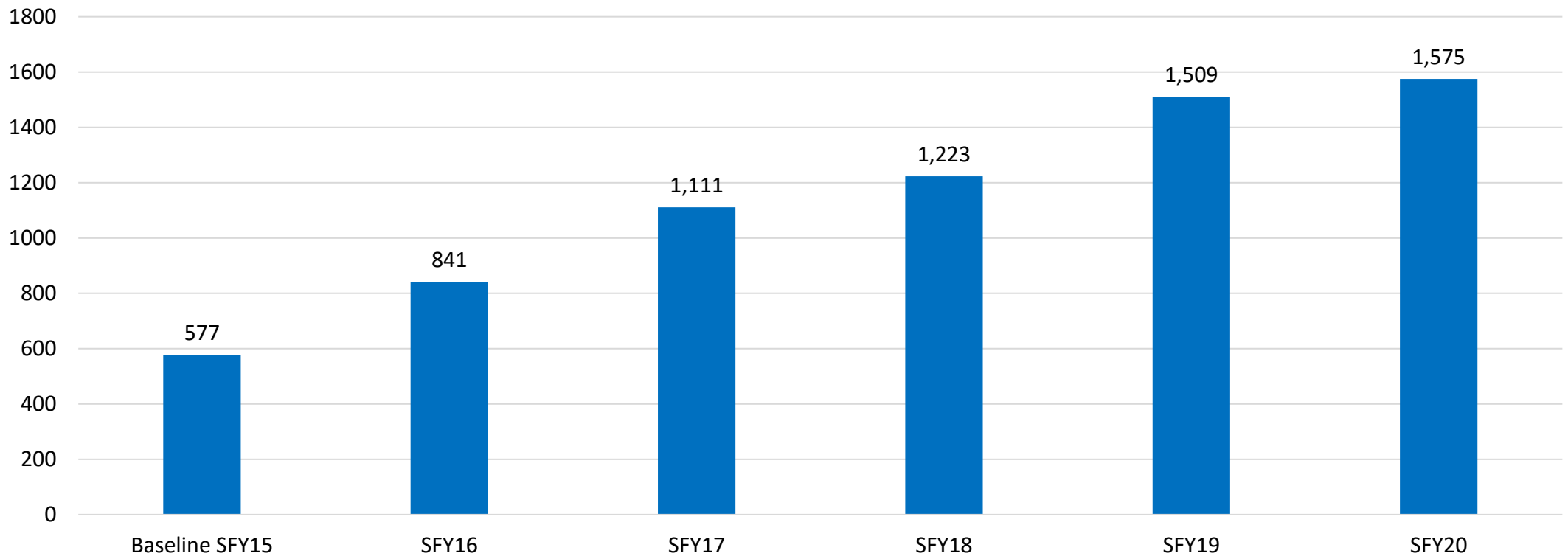


32.1%
MARCH, 2021

Results After Moving to Outcome-Based Reimbursement for Supported Employment Job Coaching in Oregon (2)



State has seen **significant growth** in **new people moving into CIE** on an annual basis





What Else You'll Find in The Guide

The Guide features examples of braided funding arrangements involving State Medicaid agencies



- Tennessee Vocational Rehabilitation Services and Tennessee Medicaid
- Oregon Vocational Rehabilitation Services and Oregon Developmental Disability Services
- Iowa Vocational Rehabilitation Services and Iowa Medicaid

Paying Employers to Provide On-the-Job Training and Ongoing Supports

Normalizing Supports; Addressing the Direct Service Workforce Shortage



The Guide features these examples:

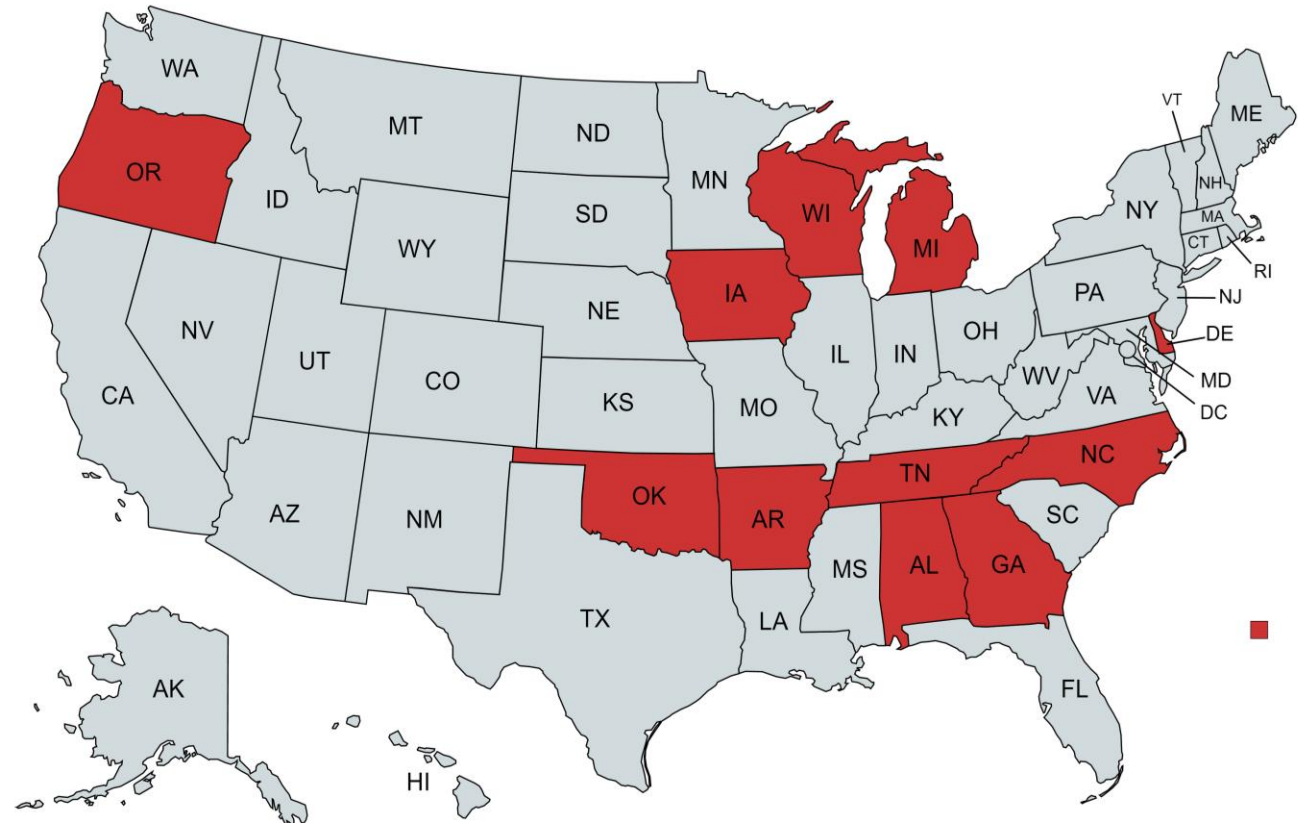
Medicaid Funded

- Wisconsin “Partners with Business”
- Tennessee “Co-Worker Supports”
- Oklahoma “Contracts with Industry”

Newly approved since the Guide was published:

- Alabama Community Waiver Program
“Co-Worker Supports”

States Featured in the Guide



Funding
creates
potential

It does not
guarantee
outcomes



- **Less** funding – used through **more effective** funding models – has the potential to produce **better** competitive integrated employment outcomes than more funding distributed through less effective funding models.

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