CHANGING HOW FLORIDA FUNDS EMPLOYMENT SERVICES

Based on: A Systematic Approach to Revising Florida’s Integrated Employment Funding System

Prepared for: Florida Developmental Disabilities Council
Prepared by: Institute for Community Inclusion and the National Association of State Directors of Developmental Disabilities Services

Jean Winsor, Ph.D., Oliver Lyons, MA, John Butterworth, Ph.D., Rie Kennedy-Lizotte, MBA
April 28, 2017

Publication of this report is sponsored by the United States Department of Health and Human Services, the Administration on Intellectual and Developmental Disabilities and the Florida Developmental Disabilities Council, Inc.

This document does not necessarily reflect the views of the United States Department of Health and Human Services, Administration on Intellectual and Developmental Disabilities, or the Florida Developmental Disabilities Council, Inc. It is intended to serve as an Easy Read version of The Florida Developmental Disabilities Council Supported Employment Provider Rate Options Study.
INTRODUCTION

A 2017 study funded by the Florida Developmental Disabilities Council (FDDC) found that in Florida:

- providers are not paid enough for supported employment and not encouraged to focus on jobs.
- many providers have stopped offering supported employment.

Florida is working to change these issues. In 2016, the state passed a law called Employment First. The law directs state agencies to make jobs the number one goal.

This report looks at how 10 other states have been successful in finding jobs for people with disabilities. The report reviews the way these states set up funding for providers to succeed.

The payment rates for 5 services were examined:

- individual integrated employment
- group supported employment
- facility-based work (sheltered work)
- community-based non-work
- facility-based non-work (day habilitation)

First, let’s look at how much other states pay per hour of service for supported employment:

<table>
<thead>
<tr>
<th>State</th>
<th>Service</th>
<th>Individual Integrated Employment per hour</th>
<th>Group Integrated Employment per hour</th>
<th>Average per Individual in Integrated Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>Preemployment Individual</td>
<td>$48.48</td>
<td>$33.96</td>
<td>$14,535</td>
</tr>
<tr>
<td>Colorado</td>
<td>Vocational Services Job Coaching</td>
<td>$52.08</td>
<td>$12.64 to $27.76</td>
<td>$5,341</td>
</tr>
<tr>
<td>Iowa</td>
<td>Vocational</td>
<td>$10</td>
<td>$5.04 to $11.36</td>
<td>$3,757</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Supported Employment</td>
<td>$13.33 then increases</td>
<td>$13.33</td>
<td>$5,857</td>
</tr>
<tr>
<td>New York</td>
<td>Supported Employment Pathways to Employment Vocational</td>
<td>$36.11 to $70.11</td>
<td>$22.64 to $28.05</td>
<td>*</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Supported Employment</td>
<td>$29.56</td>
<td>$7.60</td>
<td>$5,560</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Assessment/Job Development Enhanced Job Coaching Stabilization</td>
<td>$22.64</td>
<td>$14.52</td>
<td>$8,087</td>
</tr>
<tr>
<td>Oregon</td>
<td>Discovery Job Development Job Coaching</td>
<td>$1.728.65 to $2,222.55 total $1,977.20</td>
<td>$18.83 to 24.77</td>
<td>$3,104</td>
</tr>
<tr>
<td>Washington</td>
<td>Supported Employment</td>
<td>$75 maximum</td>
<td>$65 maximum</td>
<td>$7,024</td>
</tr>
</tbody>
</table>

Florida spends $2,527 per person for integrated employment.
### Learning from Other States’ Funding Systems

<table>
<thead>
<tr>
<th>State</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>Funds based on the place a person lives, not per person. People in Alaska have a choice in services and providers. Money moves with each person, so people can make changes to their supported employment provider.</td>
</tr>
<tr>
<td>Colorado</td>
<td>Rates depend on many things, including how much support a person needs.</td>
</tr>
<tr>
<td>Iowa</td>
<td>Medicaid programs are joined together into one managed care program called IA Health Link with three managed care organizations.</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Rates vary based on staff wages and program expenses.</td>
</tr>
<tr>
<td>New York</td>
<td>Bills for services based on region.</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Has moved all employment services under a federal waiver. This provides community-based services that promote choice.</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Pays for the number of hours a person works. This has created challenges because it rewards group supported employment. It also requires fading out support to help people reach job stability.</td>
</tr>
<tr>
<td>Oregon</td>
<td>Has a new funding system through two funded Medicaid programs:</td>
</tr>
<tr>
<td></td>
<td>- The Community First Choice Option or &quot;K Plan&quot;</td>
</tr>
<tr>
<td></td>
<td>- The Home-based and community-based waivers.</td>
</tr>
<tr>
<td></td>
<td>- Can purchase a combination of employment and day supports.</td>
</tr>
<tr>
<td></td>
<td>- Service rates remain the same under all plans and waivers.</td>
</tr>
<tr>
<td>Virginia</td>
<td>Is redesigning its Medicaid Home and Community-Based Services (HCBS) Waivers. Supported employment rates are designed for providers, and rates are being increased for more community integrated services.</td>
</tr>
<tr>
<td>Washington</td>
<td>Rates for prevocational and individual/group supported employment are set by counties and providers. Differences in rates are due to differences among providers related to their own costs to operate.</td>
</tr>
</tbody>
</table>

### KEY DIFFERENCES ACROSS STATES

#### Some states pay:

- for 15 minutes of service, while others pay hourly or monthly for ongoing support
- based upon a person’s level of support need
- for long-term job coaching based upon the hours worked as opposed to hours of direct support
- so that integrated employment is better funded over other day and employment services
ADVANTAGES AND DISADVANTAGES

**Advantages** to certain state funding approaches:

- Job training specialists are paid at a higher rate than job coaches. Using a team to support all phases of the employment process may improve the process of fading supports.
- Steady and reliable income sources help maintain a flexible resource base.
- A person’s level of needed support is included in the rate for group services.
- Individual integrated employment is funded better over other services.
- Funding supports the person’s whole life and allows supports when the person is not working.
- Quality assurance and case management help manage the cost of employment services. Funding can be quickly changed if needed.
- Top and bottom rates for employment and day services are identified.

- Items covered include staff meetings, paperwork, and training. Billable hours vary by service.
- There is a known process for moving from initial job coaching to ongoing support.
- Transportation is funded separately from employment.
- People can use state intellectual and Developmental Disabilities/Florida Developmental Disabilities Council, Inc. services to begin employment while waiting for the availability of Vocational Rehabilitation.
- Job development and job start supports are available through both the Vocational Rehabilitation and the Medicaid systems. These services are offered on a case-by-case basis.
- Job development and job start supports are funded differently from long-term job coaching and other support.

**Disadvantages** to certain state funding approaches:

- Complicated funding systems are not easily understood. There are different payment rates for different funding sources.
- Many services needed for successful job development are not funded.
- Transportation is expected to be paid out of integrated employment money.
- Pay for group supported employment is not based upon the number of people participating. This means employment service providers make more money from group than individual services.
- The true cost of hiring high-quality staff and the cost of professional development is not included.
- Funding does not support stable staffing.
- Service definitions do not link to billable activities.
- High-quality staff are not paid well.
- Rates are not based upon staff cost.
- Payment for indirect staff time is not included in the rate.
- Providers’ skill sets are not consistent across the state.
- There is no long-term support for a stable work team.
- Some services are time-limited.
- The budget process is different from the payment rate process.
- Individual level of need is not accounted for.
- Funding is lacking for case management to support each person.
- Funding systems don’t consider the long-term costs.
KEY ASSUMPTIONS FOR A HIGH-QUALITY FUNDING SYSTEM

- Simplicity is very important.
- Service definitions must link to billable activities.
- High-quality staff must be paid well.
- Rates must be based upon staff cost.
- Payment for indirect staff time must be included.
- Providers’ skill sets must be consistent.
- A stable work team needs long-term support.
- Some services must be time-limited.
- Individual level of need must be funded.
- Transportation must be a separate part of the budget.
- Funding needs to have case management support each person.
- Funding systems must cover long-term costs.

RECOMMENDATIONS FOR FLORIDA’S FUNDING SYSTEM

1. Use a rate model that begins with funding for staff and then other costs.

   Factors in Finding Recommended Rates:
   - Staff salaries.
   - Employee-related expenses.
   - Mileage costs.
   - Program support and administrative costs.
   - Adjustment for available (billable) hours.

2. The model considers the costs of 3 types of employment support:
   - Job development and job entry.
   - Job exploration and career planning.
   - Ongoing supports.

3. Rates are based upon the cost to providers for delivering quality services.
   - Different rates should be developed for employment training specialists, individual job coaches, group job coaches, and direct support professionals.
   - Staff costs should include annual wages, benefits, travel costs, and program support.
   - It is assumed that staff will work 37.5 hours per week and have 32 days of sick/vacation/holidays per year.
Group supported employment and ADT services rates should be based on the size of the group.
Facility-based ADT payment rates should remain the same.
Costs should be updated as needed.

Additional rate recommendations should be considered. Staff should:
- Identify allowable billable activities.
- Allow job development and training as part of the budget.
- Develop a job exploration and career planning service.
- Allow job exploration and career planning as part of the budget.
- Convert ADT services from a day to a quarter hour rate.
- Align billing, case notes, and quality assurance.
- Allow people in ADT to pursue career planning.
- Work with the Division of Vocational Rehabilitation (DVR).
- Allow ongoing job supports based on hours of services needed per month.
- Change service categories to support employment and community inclusion.
- Identify Florida’s current cost for each service.
- Develop a separate part of the budget for transportation services.

### RECOMMENDED SERVICE RATES

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job development and training by ETS (authorize 40 hours at a time)</td>
<td>$52/hour</td>
</tr>
<tr>
<td>Job exploration and career planning by job coach (authorize 20 hours at a time, max 60 hours, outcome is a career plan)</td>
<td>$52/hour</td>
</tr>
<tr>
<td>On-going job 1 check in per month</td>
<td>$52</td>
</tr>
<tr>
<td>On-going job 1:1 support (2-8 hours per month)</td>
<td>$256/month</td>
</tr>
<tr>
<td>On-going job 1:1 support (9-16 hours per month)</td>
<td>$512/month</td>
</tr>
<tr>
<td>On-going job 1:1 support (17-24 hours per month)</td>
<td>$704/month</td>
</tr>
<tr>
<td>On-going job 1:1 support for exceptions (25 hours+ per month)</td>
<td>$32/hour</td>
</tr>
<tr>
<td>Group supported employment (1:6 staff to individual)</td>
<td>$6/hour</td>
</tr>
<tr>
<td>Group supported employment (1:4 staff to individual)</td>
<td>$9/hour</td>
</tr>
<tr>
<td>Group supported employment (1:3 staff to individual)</td>
<td>$12/hour</td>
</tr>
<tr>
<td>Community-based non-work support (1:1 staff to individual) (formerly ADT services in the community)</td>
<td>$32/hour</td>
</tr>
<tr>
<td>Community-based non-work support (1:6 staff to individual) (formerly ADT services in the community)</td>
<td>$6/hour</td>
</tr>
<tr>
<td>Community-based non-work support (1:4 staff to individual) (formerly ADT services in the community)</td>
<td>$9/hour</td>
</tr>
<tr>
<td>Community-based non-work support (1:3 staff to individual) (formerly ADT services in the community)</td>
<td>$12/hour</td>
</tr>
<tr>
<td>ADT pre-vocational employment service</td>
<td>Maintain current ADT rate for facility-based services, however bill as quarter hour service</td>
</tr>
<tr>
<td>ADT facility-based non-work service</td>
<td>Maintain current ADT rate for facility-based services, however bill as quarter hour service</td>
</tr>
</tbody>
</table>
This report confirms that Florida’s employment and day services system is underfunded.

States examined in this report have increased funding for supported employment services.

In order for Florida to have the same success, the state will need to raise payment rates for supported employment.

Florida’s policies and programs will need to be changed to support the funding changes.