Medicaid and Employment

Medicaid Supports for Employment

National Home & Community-Based Services Conference
September 12, 2013

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Medicaid authorities that may include Supported Employment as a service

- 1915(c) Home and Community-Based Waiver Services
- 1915 (i) State Plan Option for Home and Community-Based Services
- 1915(j)
- 1915(k)
- 1115 - Demonstrations
1915(c) Home and Community-Based Waiver Services

- Established in 1981, provides Home and Community-Based (HCBS) Services to individuals who require an institutional level of care (NF, ICF/IID, or hospital).

- Option to offer various services including habilitation, which may include day habilitation, pre-vocational, individual supported employment, group supported employment, career planning.
• Underscores CMS’s commitment to the importance of work for waiver participants

• Supports States’ efforts to increase employment opportunities and meaningful community integration for waiver participants.

• Provides further clarification of CMS guidance regarding several core service definitions and adds several new core service definitions.
• Articulates best practices and highlights self direction options for employment support

• Explains that Ticket to Work Outcome and Milestone payments are not in conflict with payment for Medicaid services rendered
• Provides a strong preamble that highlights the importance of competitive work and CMS’s goal to promote more integrated employment options in waivers

• Emphasizes the critical role of person centered planning in achieving employment outcomes
1915 (c) Waiver Technical Guidance: continued

- Articulates best practices and highlights self direction options for employment support

- Explains that Ticket to Work Outcome and Milestone payments are not in conflict with payment for Medicaid services rendered
Clarifies that pre-vocational services are not an end point, but a time limited (but no specific limit given) activity to help someone obtain competitive employment

Describes that volunteer work and other work type activities that are not paid, integrated community employment are appropriately classified as pre-vocational, not supported employment services
• Splits supported employment into two core service definitions - individual and small group

• Adds a new core service definition for career planning, that is currently used by several States
CMS is not changing policy, but rather clarifying and strengthening guidance around permissible waiver options to promote employment for people with disabilities and individuals who are elderly.

CMS issued an Informational Bulletin with these updates on 9/16/11 (https://www.cms.gov/CMCSBulletins)

These changes will also be included in version 3.6 of the Waiver Technical Guide to be released at a later date.
1915 (i) State Plan Option for Home and Community-Based Services

- Section 1915 (i) State Plan Option to provide home and community-based services was modified through Section 2402 of the Affordable Care Act to allow States to expand access to home and community based services without requiring institutional level of care for enrollees.

- There are 6 States with an approved 1915(i) HCBS in their State plans.

- Services can include employment supports.

- MIG Grantees are working with States as they develop 1915(i) options to integrate employment supportive policies and supports.
1915(j) Self Directed Personal Assistance Services (PAS)

- State Plan option, effective January, 2007
- Provides a new State Plan participant-directed option to individuals receiving services under State plan Personal Care Services benefit and/or a section 1915(c) HCBS waiver services.
- PAS can include:
  - Personal care or related services and/or
  - Home and community-based services under an approved section 1915(c) waiver program, such as supported employment.
  - At state’s discretion, items that increase an individual’s independence or substitute for human assistance, to the extent that expenditures would otherwise be made for the human assistance, including additional goods, supports, services or supplies.
1915(k) Provisions of The Affordable Care Act: Section 2401: Community First Choice Option

- Adds Section 1915(k) to the Social Security Act
- Includes 6% enhanced Federal matching funds (FMAP)
- Statewide – in community (not institutions)
- The benefit can be used to support an individual’s employment goals
- Currently only 2 states are approved: CA and OR
1115 Authority

• Research and Demonstration Projects
• Authorizes the DHHS Secretary to consider and approve experimental, pilot or demonstration projects.
• State defines demonstration eligible populations and services.
• Service may include supported employment, career planning, etc.
CMS Grant Opportunities that Support Employment

- Medicaid Infrastructure Grant (MIG)
- Money Follows the Person (MFP)
- Balancing Incentive Program
Medicaid Infrastructure Grants (MIG)

- From 2001 through 2011, over $450 million in MIG funding was awarded to 49 states plus the District of Columbia and the U.S. Virgin Islands. No-cost extensions continued MIG activities in some states (12) through 2013.

- Three-fourths of the states reported that all or most of their MIG activities would continue into state infrastructure and/or operations.
Medicaid Infrastructure Grants (MIG)

**MIG resources were used to:**

- implement Medicaid Buy-In (MBI) programs
- build linkages between State Medicaid agencies and Vocational Rehabilitation agencies
- integrate employment supportive policies into key Affordable Care Act provisions
- heighten awareness on benefits of a diverse workforce
- reduce stereotypes and negative attitudes toward hiring workers with disabilities.
- collaborate across state agencies and with community partners has improved, allowing for more effective communication, and promoting employment and efficient delivery of employment-related programs and services (MPR - *What Were the Top Outcomes of State Medicaid Infrastructure (MIG) Grants, May 2013*) [http://mathematica-mpr.com/publications/PDFs/disability/WWD_mig_grants.pdf](http://mathematica-mpr.com/publications/PDFs/disability/WWD_mig_grants.pdf)

The goal of the program is to provide an option for states to support individuals with disabilities who want to work, achieve more economic success with less reliance on cash benefits.

The Medicaid Buy-In is a supplemental insurance product which:

- Offers access to community long-term care services and supports not available through other insurance;

- Supplements, but not substitutes, a beneficiary’s other insurance products;

- Has no asset test for beneficiaries;

- Will be offered through the state’s insurance marketplace program; and,

- Is available to adults 18 and older who:
  - Meet a clinical eligibility criteria including but not limited to a diagnosis of disability and
  - Work and have income which exceeds a minimum established amount (250% FPL).
Provisions of The Affordable Care Act: Section 2403: Money Follows the Person

- Money Follows the Person (MFP) Demonstrations are active in 45 States and the District of Columbia.

- Originally authorized in Section 6071 of the Deficit Reduction Act of 2005 provided $1.75 billion over 5 years through awards in 2011.

- The ACA amends the DRA and provides an additional $2.25 billion through Federal Fiscal year (FFY) 2016. Any unused portion of a State grant award made in 2016 would be available to the State until 2020.

- MFP provides opportunities for States to promote and support employment through program administration, policies and services.

- States also have opportunities within their rebalancing funds to support employment related services and activities.
Money Follows the Person
State Investments Using Rebalancing Funds

- Increase in Waiver slots
- Development of needs-assessment tools
- Increase community service capacity, including employment services
The Balancing Incentive Program authorizes CMS to provide financial incentives to states. The goal is to increase access to non-institutionally based long-term services and supports (LTSS).

Participating states are required to make the following structural reforms:

- No wrong door – single entry point system;
- Conflict free case management;
- Core standardized assessment instruments;

Total funding is not to exceed $3 billion in federal matching payments.
How does the Balancing Incentive Program support workers with disabilities?

• Through expanded Medicaid capacity - States may use funding to expand access to Medicaid services which enable people to maintain employment

And through the implementation of the structural changes

• Iowa to build in employment related questions into the core standardized assessment tool that is part of the structural change requirement
Provisions of The Affordable Care Act:
Section 10202: Balancing Incentive Program(3)

- 16 participating states, totaling $2 billion: Arkansas ($61 Million), Connecticut ($68 Million), Georgia ($64 Million), Indiana ($85 Million), Iowa ($62 Million), Louisiana ($69 Million), Maryland ($106 Million), Mississippi ($68 Million), Missouri ($110 Million), New Hampshire ($26 Million), New Jersey ($110 Million), New York ($598.6 Million), Texas ($301 Million), Illinois ($90 Million), Maine ($21 Million) and Ohio (169 Million).

- All guidance and approved applications are posted on Medicaid.gov at http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Support/Balancing/Balancing-Incentive-Program.html
Supported Employment for People with Significant Mental Health Conditions
• People with mental illness have unemployment rates beyond 80%, yet more than 2/3 report they want to work

• Day treatment and psychosocial rehab services comprise a significant percent of state mental health spending, and virtually all SMH spending on day services

• According to 2011 SAMHSA data, only 1.7% of people served by state mental health agencies receive any supported employment services
Descriptions of typical service components including:

- Assessment
- Supportive counseling
- Benefits planning and assistance
- Job development
- On-the-job supports
• Improvement in MH functioning
• Improved clinical outcomes
• Reduced in-patient psychiatric admissions and LOS
• Reduced use of psychiatric crisis services
• Increased attendance at regularly scheduled mental health appointment
• Improve employment outcomes
• Higher rates of placement in competitive employment
• Higher salaries
• Higher number of hours worked per week
• Higher rates of job retention
• Higher levels of job satisfaction
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