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Leveraging Medicaid for Supported Employment: Options for States

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Supported Employment in Medicaid

- States have a variety of available mechanisms that can be used to support Medicaid enrollees with SMI in accessing and sustaining competitive employment
- What services these individuals may access will vary depending on how States use available state plan options and waivers

Medicaid State Plan Options

Rehabilitation Services Option (Rehab Option)

Section 1905(a)(13) of the Social Security Act allows States to cover:

“other diagnostic, screening, preventive, and rehabilitative services, including any medical or remedial services (provided in a facility, home, or other setting” recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level.”

Medicaid State Plan Options

Rehabilitation Services Option (Rehab Option)

- Used by States to offer an array of services to individuals with SMI as it allows for more flexibility in:

Service location -- services can be provided in home, **work**, or other community settings

Provider type -- services can be delivered by peer specialists or other professionals with “lived experience”

Benefit design— as it relates to SE, allows for provision of services that can assist someone in finding, getting, and retaining competitive employment such as: peer support, social skills training, psycho-education, counseling, or Assertive Community Treatment (ACT)

Medicaid State Plan Options

Targeted Case Management (TCM)

- Used by States to provide case management services to a targeted group of Medicaid eligible individuals such as people with SMI
- Permits States to furnish TCM without regard to state-wideness or comparability requirements
- Advantage of using TCM is that it can be used to assist the target population with gaining access to “medical, education, **and other services**” (such as employment services and supports) regardless of whether the service(s) is a Medicaid covered service

Medicaid State Plan Options

Targeted Case Management (TCM)

- Activities typically conducted by case managers that could assist individuals with finding, getting, and retaining competitive employment include:
 - An assessment of the person's needs and strengths
 - Development of an individualized plan of care
 - Referral and related activities
 - Monitoring of the plan of care and follow-up activities

Medicaid State Plan Options

1915(i) Home and Community-Based Services Option

- Allows States to offer HCBS under their State plan that were previously available only under waivers or 1115 demonstration programs
- Affordable Care Act (ACA) recently made important changes (effective October 1, 2010) to how States may amend their State plans to offer HCBS via the 1915(i) State Plan Option
(see SMDL# 10-013 dated August 6, 2010 for more information)

Medicaid State Plan Options

Under 1915(i) States:

- May not establish wait lists or limit the number of individuals who can receive HCBS
- Must ensure statewide availability of services
- May design benefit packages targeted to specific populations such as individuals with SMI
- May offer HCBS to individuals whose needs are substantial but not severe enough to qualify them for institutional or waiver services
- Can propose to offer services such as those available under 1915(c) that (as it relates to SE) can assist eligible individuals in accessing and sustaining competitive employment such as: supported employment, prevocational services, non-medical transportation, case management, and psychosocial rehab services. *NOTE: States cannot offer SE or prevocational services if the service(s) are available under section 110 of the Rehabilitation Act or IDEA*

Medicaid Waivers

1915(c) Home and Community-Based Services

- Allows States to waive certain requirements of the Social Security Act to provide HCBS without regard to: statewideness, comparability, and certain income and resource rules
- States can target services to specific groups, one of which is adults with mental illness
- Eligibility is limited to those individuals who meet level of care criteria for a hospital, nursing facility, or ICF/MR
- Must be “cost-neutral”
- Permits States to limit the number of individuals offered HCBS under the waiver and allows for the creation of wait lists

Medicaid Waivers

1915(c) Home and Community-Based Services

- States can offer a variety of HCBS that can support individuals in obtaining and sustaining competitive employment including (but not limited to):
 - Supported Employment*
 - Prevocational Services*
 - Non-medical transportation
 - Psychosocial rehabilitation
 - Case management

* NOTE: States cannot offer SE or prevocational services if the service(s) are available under section 110 of the Rehabilitation Act or IDEA

Additional Medicaid Strategies

- 1915(b) Managed Care/ Freedom of Choice Waivers
 - Enroll eligible individuals in managed care
 - Use savings to provide additional services (b) (3)
 - Limit number of providers
 - Can be used in combination with 1915(c) waivers to allow States to use managed care strategies to deliver HCBS
 - The entity contracted may voluntarily choose to fund certain services “in lieu” of more costly contracted plan services
- 1115 Research and Demonstration programs
 - Test policy innovations
 - Can be used to expand eligibility to otherwise ineligible groups (e.g. childless adults)
 - Provide for services not typically covered
 - Allows for innovative service delivery systems

Additional Medicaid Strategies

- 1915(a) of the Social Security Act
 - Provides a vehicle for voluntary enrollment into capitated managed care
- 1932 State Plan Amendment Authority
 - Permits mandatory managed care for certain allowable populations, on a statewide basis or in limited geographic areas without a waiver.
- The above options only provide for managed care authority, and must be paired with other strategies to provide HCBS services

Additional Medicaid Strategies

- Medicaid Infrastructure Grants (MIG) authorized for an 11 year period by the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA) facilitated enhancements to State Medicaid programs and services; and linkages between Medicaid and other employment-related service agencies.
- Medicaid buy-in programs support persons with disabilities in returning to work, by assuring access to health and long-term care benefits at higher levels of earnings and assets than other Medicaid programs.

Supported Employment: State Examples

Maryland

- The states MHA & VR established braided funding –a single provider offers service while clearly documenting necessary information for each separate funding source

Supported Employment (SE) and Related Services with Funding Source		
Service	Agency	Funding Source
SE – pre-placement (includes assessment & benefits counseling)	MHA	Statefunded
Job development	DORS	Vocational rehabilitation
SE – job placement	MHA	Statefunded
SE – intensive job coaching	DORS	Vocational rehabilitation
Ongoing SE to maintain employment	MHA	Statefunded
Clinical coordination for EBP SE	MHA	Statefunded
Psychiatric rehabilitation	MHA	Medicaid

Table from Promising Practices in Home and Community Based Services
<https://www.cms.gov/promisingpractices/downloads/MDSupportedEmployment.pdf>

Supported Employment: State Examples

Kansas

- Uses a combination of state plan services, state plan options and 1915(b) waiver authority to create a Mental Health Prepaid Ambulatory Health Plan (KS Health Solutions) as the managed care delivery system for all behavioral health services offered as part of the Kansas Medicaid State Plan
- TCM available for providers that may offer SE to bill for specific TCM activities that may relate to job development and for employer coordination for individual clients

Supported Employment: State Examples

Illinois

- Uses a combination of Rehab Option and General revenue (GR) to fund certain services that relate to recovery goals and community integration

Type of services	Medicaid RO	GR and VR
Engagement services	General interventions related to treatment and recovery goals	Activities for a specific client to engage the client in making a decision to actively seek competitive employment or education
Vocational assessment	As part of the mental health assessment	Assessment that is not part of the overall mental health assessment
Job development/job finding support	Therapeutic support to help client manage their illness as they work to achieve their recovery goals	Activities for a specific client, directed toward helping them find and procure a job
Job retention supports	Therapeutic support to help client manage their illness as they work to achieve their recovery goals	Interventions targeted to helping client succeed on a specific job

Supported Employment: State Examples

Washington

- Use a 1915 (b) waiver and approval of (b) (3) savings
- Managed care savings distributed to Regional Support Networks (RSN) that contract with providers for SE (SE not available in all RSN's)
- Some RSN's also blend funds with local taxes to pay for vocational services.
- Providers can also seek VR funding
- Rehab Option includes a variety of services to SMI population including: peer counselors, therapeutic psycho-education, high intensity treatment (PACT)

Follow-up Information

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