To protect and promote the health and safety of the people of Wisconsin

Applying Alternative Payment Methodologies and Value-Based Purchasing to HCBS Supported Employment Services in MLTSS Programs to Advance States’ Employment First Goals

Curtis Cunningham
Division of Medicaid Services
Agenda

- Overview Wisconsin Long Term Care (LTC) Program and Family Care Model
- Wisconsin Competitive Integrated Employment Framework
- Supported Employment Outcome Based Reimbursement Model – development, implementation and outcome
- Questions
Wisconsin Long Term Care Program Family Care

- Family Care established in 1998
- Partnership operated as a fully-capitated, dual Medicaid and Medicare program in 1999
- Both capitated long term care services
Key Organizational Components:
- Aging and Disability Resource Centers (ADRCs)
- Managed Care Organizations (MCOs)
- Inclusion of state plan services for LTC and related with HCBS (15 state plan services)
- Comprehensive LTC waiver services (28 services)
- Includes three target groups (Elderly, Physically Disabled, and Intellectually and Developmentally disabled)
- Employment services, including Supported Employment services, available to all target groups
Examples of Wisconsin’s LTC Program Services

Note: The groups shown are a representative list of services only and are not fully inclusive.

**MA Waiver Services**
- Supportive Home Care
- Home Modifications
- Home-Delivered Meals
- Lifeline
- Assisted Living
- Employment

**MA LTC Card Services**
- Home Health
- Medical Supplies
- Nursing Home
- Personal Care
- Mental Health
- Alcohol or Other Drug Treatment

**Acute and Primary Medicare or MA**
- Emergency Room Visit
- Hospitalization
- Doctor Visits
- Lab Tests
- Prescription Drugs
- Dental Care

<table>
<thead>
<tr>
<th>IRIS</th>
<th>Family Care</th>
<th>Partnership/PACE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accessed Through</strong>&lt;br&gt;Medicare or Medicaid Card</td>
<td><strong>Accessed Through</strong>&lt;br&gt;Medicare or Medicaid Card</td>
<td><strong>Accessed Through</strong>&lt;br&gt;Medicare or Medicaid Card</td>
</tr>
</tbody>
</table>

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Results of WI MLTSS Model

• In 2000, 49% of WI long term care population was in the community. In 2015, 80.2% live in the community.
• In 1998 there were 11,000 individuals on the waitlist. In July 2018 Family Care and IRIS are statewide.
• In 36 months or less all counties will have reached entitlement for long term care services.
• In 2015, at 65%, WI ranked 10th in nation for Medicaid HCBS expenditures as a percent of all long term care expenditures.
• In the AARP LTSS 2017 Scorecard Wisconsin ranked 6th overall in the nation and received the Pace Setter award for choice of setting and provider.
<table>
<thead>
<tr>
<th>Service Type</th>
<th>I/DD #/%</th>
<th>FE #/%</th>
<th>PD #/%</th>
<th>TOTAL #/%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Care</td>
<td>22,416</td>
<td>17,547</td>
<td>8,263</td>
<td>48,226 69.4%</td>
</tr>
<tr>
<td>PACE, Partnership</td>
<td>876</td>
<td>1,858</td>
<td>1,193</td>
<td>3,928   5.7%</td>
</tr>
<tr>
<td>IRIS Self-Directed Care</td>
<td>7,642</td>
<td>3,465</td>
<td>6,213</td>
<td>17,320  24.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>30,935</td>
<td>22,870</td>
<td>15,669</td>
<td>69,493  100%</td>
</tr>
</tbody>
</table>
## Long-Term Care Expenditures 6/30/18

<table>
<thead>
<tr>
<th>Service Description</th>
<th>SFY16 Actuals</th>
<th>SFY17 Actuals</th>
<th>SFY18 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Homes/ICF-IID</td>
<td>$833.4 million</td>
<td>$816.3 million</td>
<td>$800.2 million</td>
</tr>
<tr>
<td>Family Care, PACE, Partnership</td>
<td>$1.6 billion</td>
<td>$1.8 billion</td>
<td>$1.9 billion</td>
</tr>
<tr>
<td>IRIS Self-Directed Care</td>
<td>$371.8 million</td>
<td>$430.7 million</td>
<td>$505.4 million</td>
</tr>
<tr>
<td>Adult Legacy Waivers</td>
<td>$117.8 Million</td>
<td>$104.1 Million</td>
<td>$86.4 Million</td>
</tr>
<tr>
<td>CLTS Waiver</td>
<td>$77.8 million</td>
<td>$67.4 million</td>
<td>$73.9 million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3.0 billion</strong></td>
<td><strong>$3.2 billion</strong></td>
<td><strong>$3.3 Billion</strong></td>
</tr>
</tbody>
</table>

Long Term Care expenditures as percent of total Medicaid budget = 42%

- **SFY** = State Fiscal Year
- **ICF-IID** = Intermediate Care Facilities for Individuals with Intellectual Disabilities

Protecting and promoting the health and safety of the people of Wisconsin
Entitlement for all target groups!!
Medicaid Infrastructure Grant 2000-2011

- **Managed Care and Employment Task Force (2007-2008)**
- Significant revisions to HCBS waiver prevocational and supported employment service definitions (2009-2010)
- CRP Rebalancing/Provider Transformation Initiative (2008-2012)
- Research on cost-effectiveness of SE by Dr. Robert Evert Cimera (2011)
  Published in Journal of Vocational Rehabilitation 35 (2011) 85–92
- Customized Employment (one of first states with VR fee schedule for CE)
  [https://dwd.wisconsin.gov/dvr/service_providers/statewide_service_fee_structure.pdf](https://dwd.wisconsin.gov/dvr/service_providers/statewide_service_fee_structure.pdf)
- Supported design and development of outcome-based reimbursement model for job coaching (2011-2012)
Establishing the Framework to Increase Competitive Integrated Employment (CIE)

- Values
- Guiding Principles
- Definitions
- Data
- Partnerships
Division of Medicaid Services, Long-Term Care (LTC)

Vision
People with diverse abilities empowered to realize their potential.

Mission
Administer programs that provide people with high quality, person-centered services and supports.
Medicaid Services Long Term Care Values

1. Focus on the **whole person** including their physical, psycho-social, and spiritual needs to live and work freely in their home and community.

2. Empower people with **access** to an array of services and supports.

3. Engage people to have meaningful **choices** about where and with whom they live, their services, and who provides them.

4. Ensure continuous improvement of **high-quality** programs to achieve people’s identified goals and outcomes.

5. Foster **collaborative relationships** through robust and transparent communication.

6. Provide a workplace with opportunities for **staff engagement** and personal and professional growth.

7. Promote **efficient and cost effective** services and supports through innovation, standards, data-driven quality, and evidence-based practices.

8. **Lead** the nation in developing and improving the delivery of long term services and supports.
Guiding Principles for Competitive Integrated Employment

The Wisconsin Guiding principles for Competitive integrated employment can be found at the following link:

Competitive Integrated Employment Definition

“Competitive Integrated Employment is defined as work performed on a full-time or part-time basis; compensated not less than the applicable state or local minimum wage law (or the customary wage), or if self-employment, yields income comparable to persons without disabilities doing similar tasks; ...
Definition, continued

... the worker should be eligible for the level of benefits provided to other employees; the work should be at a location typically found in the community; where the employee with a disability interacts with other persons who do not have disabilities and are not in a supervisory role, and; the job presents opportunities for advancement.”
Employment Data
### Current Long-Term Care Enrollment

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Total Members</th>
<th>18-64 Age Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>I/DD</td>
<td>22,566</td>
<td>18,986</td>
</tr>
<tr>
<td>PD</td>
<td>9,202</td>
<td>8,028</td>
</tr>
<tr>
<td>FE</td>
<td>19,034</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>50,802</strong></td>
<td><strong>27,014</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Total Participants</th>
<th>18-64 Age Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>I/DD</td>
<td>6,999</td>
<td>6,618</td>
</tr>
<tr>
<td>PD</td>
<td>6,053</td>
<td>5,936</td>
</tr>
<tr>
<td>FE</td>
<td>3,317</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>16,369</strong></td>
<td><strong>12,554</strong></td>
</tr>
</tbody>
</table>
National Core Indicators
Employment Data: Persons with IDD

Works in Integrated Employment

Source: National Core Indicators, 2016-2017
Employment Services, continued

Agencies Reporting Participants Interest in Employment

National

Wisconsin

Source: NCI, 2016-2017
Individuals in IRIS and FC Accessing Employment and Day Services

Source: Encounter Data, 2017
National Association of State Directors of Developmental Disability Services (NASDDDS)

State Employment Leadership Network (SELN)
SELN Findings

• Limited understanding of statewide policy and expectations and variable implementation of services in Wisconsin
• Lack of transparency in service definitions and funding
• Limited focus on provider capacity
• Lack of an outcome focus on competitive integrated employment
SELN Recommendations

• Establish the role of DHS in achieving integrated competitive employment outcomes.
• Clarify and coordinate of services with Stakeholders.
• Provider capacity building: Include evidence-based training for interdisciplinary team staff, IRIS consultants, and support and services coordinators.
Inclusa, Inc.
A Wisconsin-Based Managed Care Organization
Inclusa, Inc. – History & Perspectives

- Inclusa, Inc. is a Wisconsin-based nonprofit corporation that has operated in the state since the inception of the Family Care program in 2000.
- Inclusa is a federally designated charitable 501(c)(3) organization.
- Inclusa provides long-term care services and supports to 15,000 adults with physical and intellectual disabilities, and frail elders through the Family Care program.
- Inclusa is contracted with the State of Wisconsin and permitted through the Office of the Commissioner of Insurance to provide Family Care services and supports in 52 of Wisconsin’s 72 counties.
- Inclusa employs 1,100 and contracts with over 4,000 service providers in almost 40 service categories.
Inclusa, Inc. Service Region

Inclusa Service Region:
July 1, 2018

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Inclusa Office Locations

LOCAL SUPPORT

52 COUNTIES

35 OFFICES
<table>
<thead>
<tr>
<th>Target Group</th>
<th>Enrollment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>People with Intellectual/Developmental</td>
<td>7,479</td>
<td>50.1%</td>
</tr>
<tr>
<td>Disabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail Elders</td>
<td>5,050</td>
<td>33.8%</td>
</tr>
<tr>
<td>People with Physical Disabilities</td>
<td>2,396</td>
<td>16.1%</td>
</tr>
<tr>
<td>Total</td>
<td>14,925</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Why an Outcome-Based Reimbursement Model 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.

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Paying for Service **Does Not** Incentivize the Valued Outcomes We Desire in Supported Employment:

**01** Increasing hours the person works (while not increasing support) does not result in any financial reward for provider.

**02** Increasing hours of support (while not increasing hours the person works) results in increased payment to the provider.

**03** Allowing billing only for face-to-face service is contradictory to what we know to be good job development and worksite support strategies.
Paying for Job Coaching Based on Hours Worked by the Supported Employee

- Rewards fading (no loss of income; can realize increase in net income if fading above reasonable target expectation)
- Rewards moving individual toward full employment (increase in income)
- Incentivizes provider to prevent job loss or reduction in work hours
The Impact of Paying For Outcomes

Move Away From This:
Most Desirable Performance* ➔ Highest Revenue
Least Desirable Performance* ➔ Lowest Revenue

Move Toward This:
Most Desirable Performance* ➔ Highest Revenue
Least Desirable Performance* ➔ Lowest Revenue
Sophisticated Model to Ensure Fairness, Prevent Creaming & Increase #s Working

Pay based on hours the individual works

- **Tiered rates** per hour worked to account for level of individual disability
- **Phased rates** per hour worked to account for length of time on job

Permanent, minimum, ongoing payment as person maintains employment.

- Pay for **the outcome we want** (value-based purchasing)
- Pay for **the outcome we want being sustained over time** (similar to sub-capitation)

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<table>
<thead>
<tr>
<th>Acuity Tiers</th>
<th>Low Monthly Capitation Rate</th>
<th>High Monthly Capitation Rate</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>$7,927.00</td>
<td>$10,502.00</td>
<td>$2,575.00</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$5,351.00</td>
<td>$7,926.00</td>
<td>$2,575.00</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$2,775.00</td>
<td>$5,350.00</td>
<td>$2,575.00</td>
</tr>
<tr>
<td>Tier 4</td>
<td>$199.00</td>
<td>$2,774.00</td>
<td>$2,575.00</td>
</tr>
</tbody>
</table>
# Job Coaching Percentages Used for Rate Calculation

<table>
<thead>
<tr>
<th>Acuity Tier</th>
<th>0-11 Months on Job</th>
<th>12-24 Months on Job</th>
<th>25+ Months on Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acuity Tier 1</td>
<td>95%</td>
<td>78%</td>
<td>60%</td>
</tr>
<tr>
<td>Acuity Tier 2</td>
<td>80%</td>
<td>60%</td>
<td>45%</td>
</tr>
<tr>
<td>Acuity Tier 3</td>
<td>60%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Acuity Tier 4</td>
<td>35%</td>
<td>30%</td>
<td>24%</td>
</tr>
</tbody>
</table>
## Reimbursement Per Supported Employee Hour Worked

Based on $32/hour of job coaching service

<table>
<thead>
<tr>
<th>Acuity Tier</th>
<th>0-11 Months on Job</th>
<th>12-24 Months on Job</th>
<th>25+ Months on Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>$30.40</td>
<td>$24.96</td>
<td>$19.20</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$25.60</td>
<td>$19.20</td>
<td>$14.40</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$19.20</td>
<td>$12.80</td>
<td>$9.60</td>
</tr>
<tr>
<td>Tier 4</td>
<td>$11.20</td>
<td>$9.60</td>
<td>$7.68</td>
</tr>
</tbody>
</table>
Key Steps In the Process

- Focus on Provider Engagement
- Invest in Technical Assistance
- Risk Sharing
Geographical Service Region 4-
North Central Wisconsin
2012-Demographics

Five (5) Counties Region
Enrollment- 3,288
Six (6) Vocational Providers
Outcomes and Impact:

25 MONTHS LATER: 35% GROWTH in number of people employed in competitive integrated employment

6 YEARS LATER: 70.6% GROWTH in number of people employed in competitive integrated employment
Cost-Effectiveness and Quality:

- Average base FFS rate = $27.83
- Average Support % = 34.81%

CY 2013: Average cost per supported employee hour worked was $9.93

CY 2016: 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 Members:

- Financial
- Community Integration
- Natural Supports
- Choice

**CY2013:**
- SE/hour: $9.93
- Day Services/hour: $14.80
- Prevocational Services/hour: $13.76

**CY2016:**
- SE/hour: $9.70
- Day Services/hour: $12.00
- Prevocational Services/hour: $12.16

**CY2018 (Jan-May):**
- SE/hour: $9.75
- Day Services/hour: $12.00
- Prevocational Services/hour: $12.16

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• Largest employment/day service provider moved to outcome-based reimbursement in mid-2012

• # of people supported in competitive integrated employment increased 300% in 8 years.

• % of agency revenue coming from competitive integrated employment services tripled in 8 years.

Outcome-Based Reimbursement Supports Provider Transformation
“Inclusa has been assisting our organization in moving forward and being more community focused. More importantly, individuals receiving supports have been successful in reaching their employment goals and experiencing better connections to their communities.”

Kristen Frane, Executive Director, Ventures Unlimited, Inc
“Community employment has given her so much more than just extra cash though... she is proud, confident, and most importantly has a sense of community connection.”
Questions
Contacts

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