



Policy Update – Employment, Health Care and Disability - December 2013 Newsletter

December 19, 2013

The December 2013 update features stories on the closing of Massachusetts sheltered workshops, various state Medicaid expansion efforts, the newly extended ACA compliance deadline, HHS grants to community health centers and mental health parity regulations.

The LEAD Center Policy Update – Employment, Health Care and Disability is a project of the LEAD Center in collaboration with the Autistic Self Advocacy Network.

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Massachusetts to Close Sheltered Workshops for People with Intellectual Disabilities

Massachusetts has issued a plan for moving people with intellectual disabilities out of segregated, sub-minimum-wage “sheltered workshops.” Under Massachusetts’ plan, entitled “Blueprint for Success: Employing Individuals with Intellectual Disabilities in Massachusetts,” the state’s administration on developmental disabilities will cease all new referrals to sheltered workshops beginning on January 1, 2014, and will close all existing sheltered workshops by June 30, 2015. Individuals currently working in sheltered workshops will, by June 30, 2015, transfer either to employment above minimum wage or to community-based day programs.

The plan comes, in part, as a response to new guidance from CMS restricting use of Medicaid funding for pre-vocational services offered in contexts such as sheltered workshops. Massachusetts plans to use federal Medicaid funding, via its Home and Community-Based

Services waiver program, for many of the new services necessary to implement its plan, including supported employment and vocational coaching services. Federal Medicaid funding will cover approximately \$13.35 million, or half, of the estimated \$26.7 million necessary to implement the plan.

The full text of the plan is available at the Association of Developmental Disabilities Providers web site, <http://www.addp.org/images/Nov2013Conference/blueprint%20for%20success%20full%20version%20final%2011.6.13.pdf>

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Minnesota Releases 2013 Olmstead Plan to Promote Integrated Employment of People with Disabilities

On November 1, 2013, Minnesota released a plan to bring its service programs in line with the requirements of *Olmstead v. L.C.*, a 1999 ruling by the Supreme Court which held that people with disabilities have the right to receive state-funded services in the most integrated setting appropriate to their needs. The plan requires Minnesota to provide services that promote integrated employment of people with disabilities. People with disabilities who receive Medicaid, including people enrolled in home and communitybased services and people enrolled in Minnesota's Medical Assistance for Employed Persons with Disabilities program, will receive targeted benefits planning services to increase their ability to retain health coverage while employed. According to the plan, in January 2015 Minnesota will start providing technical assistance to segregated, sub-minimum wage employment programs in order to assist them in developing new service delivery models focused on competitive, integrated employment. By July 2015 Minnesota will begin enforcing rules capping enrollment in segregated employment programs and shifting funding to integrated employment programs.

The Minnesota Olmstead plan is available at http://dhs.state.mn.us/main/groups/olmstead/documents/pub/dhs16_180147.pdf

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U.S. Department of Health and Human Services Announces \$150 Million in Grants To Community Health Centers

The United States Health Resources and Services Administration announced on November 7 that it would provide an additional \$150 million in funding to 236 community health centers across the United States for the purposes of hiring additional staff, purchasing equipment, and renting space. These funds will help community health centers prepare to serve over a million previously uninsured people who will obtain health coverage as a result of the Affordable Care Act, either as a result of their state's choice to expand Medicaid coverage to all adults with incomes below 133% of the Federal Poverty Line (FPL) or as a result of their eligibility to

purchase private insurance through the new statewide health insurance marketplaces. This population includes workers with disabilities who are low-income but were not previously eligible for Medicaid through the Supplemental Security Income (SSI) program, and those whose employers did not provide health coverage and who were previously priced out of the individual insurance market or denied insurance as a result of preexisting conditions. The community health centers will also continue to serve individuals who remain uninsured and will assist newly eligible individuals to sign up for health coverage.

For more information, see the US Department of Health and Human Services web site, <http://www.hhs.gov/news/press/2013pres/11/20131107a.html>

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Michigan Requests CMS Approval of Medicaid Expansion Plan, Will Offer Supported Employment and Community Living Services to Previously Uninsured Individuals

On November 8, 2013, the State of Michigan submitted a request to the Centers for Medicare and Medicaid Services (CMS) for approval of its Healthy Michigan Plan, which will extend Medicaid coverage to all individuals aged 19 to 64 with incomes below 133% of the federal poverty level (FPL), including low-income workers with disabilities who had not previously been eligible for Medicaid. This expansion of Medicaid eligibility was authorized by the Affordable Care Act. Michigan seeks to implement the Healthy Michigan Plan as a research and demonstration project under Section 1115 of the Medicaid Act.

As authorized by the Affordable Care Act, most Healthy Michigan Plan participants will be enrolled in an alternative managed care plan and not in the traditional Medicaid State Plan. Nevertheless, individuals with significant disabilities in this population may be classified as “medically frail” and given the option to enroll in traditional Medicaid.

The Healthy Michigan Plan promises to include numerous services that could help low-income people with disabilities remain employed, including supported employment services, assistive technology, housing assistance and fiscal intermediary services. These services are already available to existing Medicaid beneficiaries through a Medicaid waiver program aimed at people with mental health disabilities and substance abuse disorders; Michigan plans to work with CMS to determine the best way to ensure that these services are also available to individuals enrolled in the Healthy Michigan Plan. Because Michigan’s proposal continues to classify these services as “mental health services and substance use disorder services,” it is unclear whether these services will be available to Healthy Michigan Plan participants with diagnoses of intellectual or developmental disabilities as well as those with diagnoses of mental health and substance use disorders.

For the full Healthy Michigan Plan proposal, see http://www.michigan.gov/documents/mdch/Healthy_Michigan_Waiver_Amendment_for_Web_439

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Ohio to Begin Medicaid Expansion Enrollment Ahead of Schedule

Beginning on December 9, 2013, Ohio residents earning less than 133% of FPL will be able to enroll in Medicaid under the Affordable Care Act's Medicaid expansion, with coverage beginning January 1, 2014. The Centers for Medicare and Medicaid Services (CMS) had approved Ohio's proposal to expand Medicaid in October. This expansion will benefit low-income workers with disabilities who are not eligible for coverage through their employers or through other sources of Medicaid eligibility.

A pending lawsuit may nevertheless halt Ohio's quick progress toward implementing its Medicaid expansion. Six members of the Ohio House of Representatives and two non-profit organizations have petitioned the Ohio Supreme Court to block the Medicaid expansion, arguing that Ohio's Medicaid authority is acting without authorization by the state legislature.

For more information about Ohio's expansion plan, see <http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=z9Hf8xCbqxw%3d&tabid=194>

For more information about this lawsuit, see http://www.cleveland.com/open/index.ssf/2013/11/state_defends_controlling_boar.html

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U.S. Department of Labor Issues Final Mental Health Parity Regulations

On November 13, 2013, the Department of Labor's Employment Benefits Security Administration (EBSA) issued final regulations implementing the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, which requires group and individual health plans to provide mental health and substance abuse health coverage to the same extent that they provide medical and surgical coverage. These regulations give finality to earlier interim regulations that have been in effect since 2010.

Like the interim regulations, the final regulations prohibit health coverage providers from applying separate deductible or co-payment requirements to mental health benefits and medical or surgical benefits. Coverage providers also may not impose limitations on mental health treatment that are more restrictive than limitations on medical or surgical treatment. The final regulations also reflect the ACA's extension of the parity requirements to individual plans and small group plans as well as large employer plans.

The full final rule is available at http://www.regulations.gov/#!documentDetail;D=EBSA_FRDOC_0001-0119

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