Medicaid and Employment

Medicaid Supports for Employment

DOL/ODEP Employment First Initiative

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Opening Remarks

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Medicaid Authorities Support Employment

- 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.
1915 (c) Waiver Technical Guidance Revisions

• 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.
Key Updates to CMS Waiver Guidance:

- 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
Key Updates to CMS Waiver 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
Key Updates to CMS Waiver Guidance: continued

- 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
Key Updates to CMS Waiver Guidance: continued

• 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 16 approved 1915(i) HCBS State plans.

- Services can include employment supports such as supported employment, career planning, etc.

- 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 Buy-In
- Money Follows the Person (MFP)
- Balancing Incentive Program
Medicaid Buy-In

The Balanced Budget Act of 1997 and Ticket to Work and Work Incentive Improvement Act of 1999 provide authorities for states to implement Medicaid Buy-Ins:

• The Medicaid Buy-In program allows adults with disabilities to work, access Medicaid benefits and earn more than would otherwise be possible while enrolled in traditional Medicaid.
• Typically States allow participants to “buy into” the Medicaid program, by paying premiums based on income.
• 46 States operate Medicaid Buy-In programs utilizing the Balanced Budget Act of 1997, Ticket to Work and Work Incentive Improvement Act of 1999 and 1115 Research and Demonstration waiver authorities.
• There are approximately 200,000 Medicaid Buy-In enrollees nationally. A high percentage are also Medicare beneficiaries.
• In general States have the option to eliminate income, assets, and resource limitations. States may amend their policies through CMS approval.
• Medicaid Buy-In members rely on critical community long-term care services like personal attendant services, durable medical equipment and other home and community based services to stabilize their health and support employment through activities of daily living and employment supports. Services and supports which are not covered by other payer sources.
• On average, Medicaid Buy-In members have lower costs for service expenditures than individuals with disabilities on traditional Medicaid.
Provisions of The Affordable Care Act: Section 2403: Money Follows the Person

- Money Follows the Person (MFP) Demonstrations are active in 44 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.
The Balancing Incentive Program authorizes grants to States to increase access to non-institutional long-term services and supports (LTSS) as of October 1, 2011. The Balancing Incentive Program was created by the Affordable Care Act of 2010 (Section 10202).

The Balancing Incentive Program will help States transform their long-term care systems by:
- Lowering costs through improved systems performance & efficiency
- Creating tools to help consumers with care planning & assessment
- Improving quality measurement & oversight
- The Balancing Incentive Program also provides new ways to serve more people in home and community-based settings, in keeping with the integration mandate of the Americans with Disabilities Act (ADA), as required by the Olmstead decision.
How The Balancing Incentive Program Is Financed

- The Balancing Incentive Program increases the Federal Matching Assistance Percentage (FMAP) to States that make structural reforms to increase nursing home diversions and access to non-institutional LTSS.

- The enhanced matching payments are tied to the percentage of a State’s LTSS spending, with lower FMAP increases going to States that need to make fewer reforms.

- Total funding over 4 years (October 2011 – September 2015) can’t exceed $3 billion in Federal enhanced matching payments.

- [http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Support/Balancing/Balancing-Incentive-Program.html](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Support/Balancing/Balancing-Incentive-Program.html)
Upcoming Resources

Supported Employment for People with Significant Mental Health Conditions
CURRENT PICTURE

- 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
BENEFIT DESIGN

Descriptions of typical service components including:

• Assessment
• Supportive counseling
• Benefits planning and assistance
• Job development
• On-the-job supports
THE CASE FOR SUPPORTED EMPLOYMENT

• 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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