



# Vocational Rehabilitation Services (VRS) Rate Reform

Executive Briefing

March 19, 2015

In partnership with

*Indiana Institute  
on Disability and Community*

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SINCE 1974



## **PURPOSE**

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Review and revise the current VRS employment service framework, including Results Based Funding (RBF) to address needed system changes which include increased access to Discovery and Supported Employment services, and design of a system that is responsive to all individuals including those with the most significant disabilities.



## **A LITTLE HISTORY. . .**

### **Results Based Funding (RBF) was fully implemented in 2006**

- Major shift in how employment services were funded.
- Added structure, ease of administration, and outcome expectations.
- Two Tiers - requires early severity determination by VRCs.
- 'One-size fits all' approach.
- Unintended consequences – insufficient discovery; system not responsive to all SE consumers; incentivizes speed over quality.

### **Prior to RBF, employment services were provided at an hourly rate**

- SE consumers were able to obtain necessary supported employment services, including ongoing support services prior to VRS case closure.
- Assessment services (i.e. CBE) were more frequently utilized.
- Hourly services varied per consumer/individualized system.
- Flaws – too little structure; minimal expectations for fading, not enough focus on outcomes.



## WHAT SHOULD BE ACCOMPLISHED WITH RATE REFORM?

- System should be responsive to all, including individuals with high support needs as well as consumers with minimal support needs.
- A refocus on discovery, especially for individuals with minimal/no prior work experience.
- Individuals with the most significant disabilities have access to adequate ongoing support services.
- Individuals should reach stabilization, or their highest level of independence, prior to VR case closure.
- Retain a system that focuses on outcomes, but also recognizes quality and individualization and allows for flexibility.
- Retain a system that is not difficult to administer.
- Aim to improve the consumer experience.

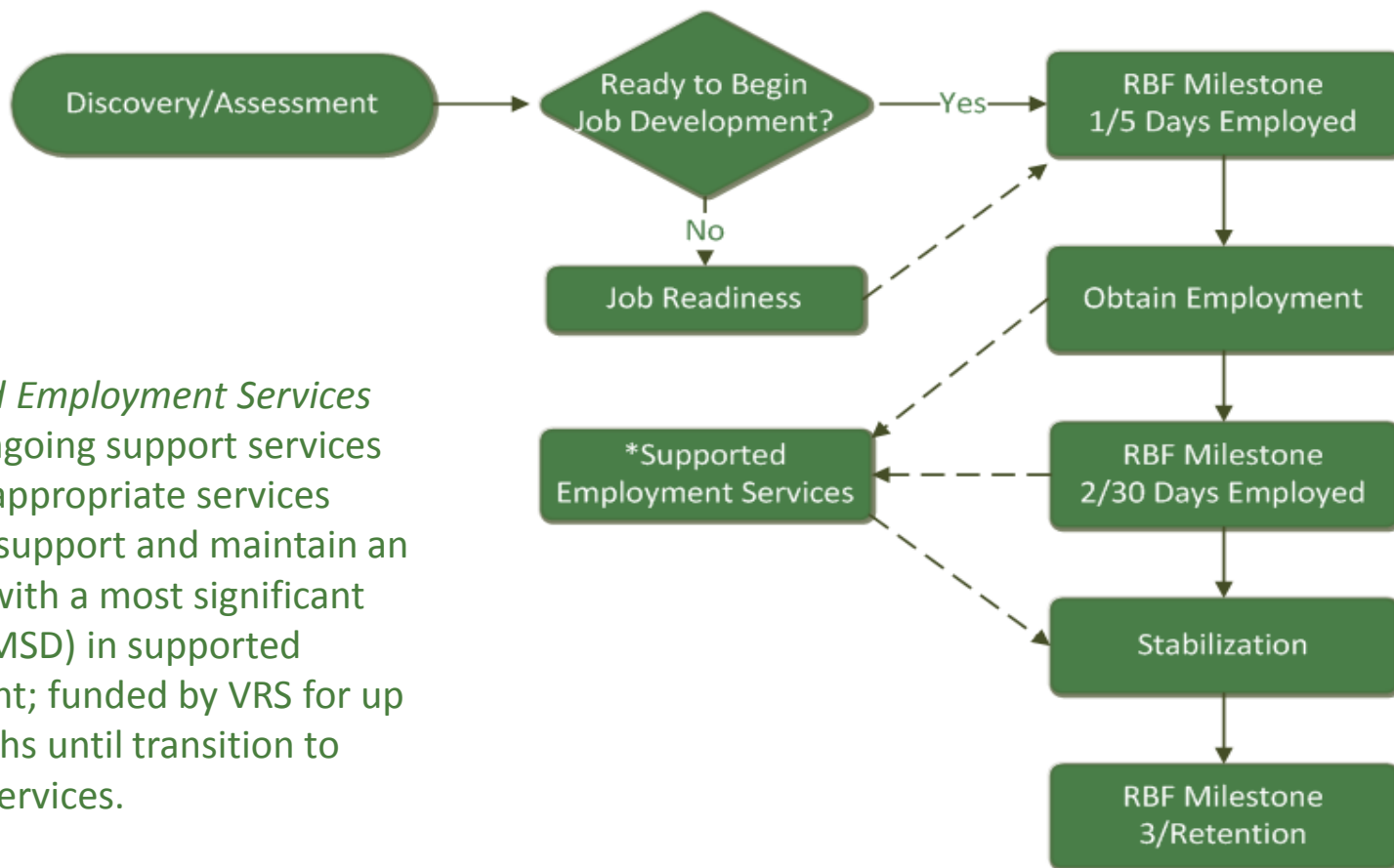


## **STRATEGIES**

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- **Eliminate 2 separate RBF 'Tiers.'**
- **Consumers have access to additional supports by funding discovery and ongoing support services outside of, and in addition to, milestone payments.**
  - Consumers have access to adequate discovery activities and services, in order to identify appropriate employment goals and the nature and scope of services needed
  - Consumers with the most significant disabilities have increased access to supported employment services including ongoing support services
- **Increase VR counseling and guidance and VRC engagement in the employment services process - team approach vs. 'handoff.'**
- **Reduce financial incentive to quickly reach 'stabilization' and closure by ensuring adequate supports are available.**

## FLOW CHART



*\*Supported Employment Services* includes ongoing support services and other appropriate services needed to support and maintain an individual with a most significant disability (MSD) in supported employment; funded by VRS for up to 24 months until transition to extended services.



## **RATES**

### **Discovery**

- Activities and costs will vary based on individual need; funded primarily at hourly rate of \$42
- Reviewed 4 actual case studies for individuals in supported employment; estimated discovery costs = \$1000 -\$2400
- Costs could be less or greater, based on individual need

### **Placement/Retention – 3 Employment Service Milestones**

- Milestone 1 Placement (5 days) = \$1300
- Milestone 2 Short-Term Retention (30 days) = \$1500
- Milestone 3 Retention (90 days post stable) = \$1300

**Total Milestones = \$4100**

### **Supported Employment Services**

- Monthly rate based on number of SE hours – see next slide
- Reviewed 4 case studies; avg. range = \$1700 -\$3600 (over 3-9 months)



## **RATES CONTINUED**

The Rates for Supported Employment Services are as follows:

SE Hours per Month	Rate
1 - 5	\$176
6 - 10	\$352
11 - 15	\$528
16 - 20	\$720
21 - 25	\$920
26 - 30	\$1,120

If >30 hours of SE services per month are needed, additional hours will be funded at the hourly rate of \$42/hour.



## EXAMPLE: A CLOSER LOOK



### Consumer with autism

- Minimal work history
- Experiences anxiety, difficulty focusing and difficulty with personal interactions
- Obtained employment performing stocking, cleaning and some customer service
- Working 19.5 hours/week

- + Discovery included 25 hours of activities including a series of CBEs to assess interests and abilities = \$1050 (25 hours X \$42/hour)
- + Milestone 1 achieved quickly = \$1300
- + Milestone 2 achieved = \$1500
- + Ongoing supports provided for 6 months = \$2496
- + Consumer was laid off after 6 months
- + Hourly support for new placement = \$924 (22 hours X \$42/hour)
- + Milestone 3 achieved 90 days after stable = \$1300

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**= \$8570 Total Cost**

## EXAMPLE: A CLOSER LOOK



### Consumer with significant mental illness

- Specific learning disability
- Experiences auditory hallucinations, anxiety and very low self-esteem
- Minimal work history
- Obtained employment in food service
- Working 20 hours/week

- + Discovery activities, 30 hours = \$1260 (30 hours X \$42/hour)
- + Milestone 1/placement not achieved after several months; Job readiness training activities were necessary, 30 hours = \$1260 (30 hours X \$42/hour)
- + Milestone 1 achieved after 4 months = \$1300
- + Milestone 2 achieved = \$1500
- + Ongoing supports continued = \$2256
  - Included intensive support first month; stabilized at 4 months
- + Milestone 3 achieved 90 days after stable = \$1300

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**= \$8876 Total Cost**



## TIMELINE

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- **By April 30:**
  - Finalize service definitions, documentation requirements, billing information, transition of cases from RBF to new system, etc.
  - Finalize training materials
  - Pre-requisite webinar will be posted (likely sooner than 4/30)
- **By June 30:**
  - Training will be held throughout the state in May and June
  - New provider agreements will be in place
  - Employment Service Manual will be posted online
  - Authorizations for services under the new model will be underway
- **After July 1:**
  - Monitor and evaluate system
  - Identify modifications as applicable

## **CONSIDERATIONS**

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- **System modifications are consumer-driven; decision making should also be consumer-driven**
- **The system modifications result in major systems change; extensive training is necessary for both VR and provider staff**
- **The system modifications require a mindset shift of both VR and provider staff**
- **VR and provider staff will need to increase understanding of Discovery and Supported Employment to ensure delivery of these services is highly individualized, flexible, and based on consumer need**
- **Through cost analysis, VRS is projected to experience a 12.6% increase in spend on employment services**



## PREPARING FOR RATE REFORM

- Ensure staff review all available information prior to attending training.  
[http://www.in.gov/fssa/files/Final\\_Vocational\\_Rehabilitation\\_Employment\\_Services\\_Rate\\_Changes.pdf](http://www.in.gov/fssa/files/Final_Vocational_Rehabilitation_Employment_Services_Rate_Changes.pdf)
- Ensure staff register for training which will take place at various locations across the state throughout May and June.
- Ensure staff complete pre-requisites for training – a brief training video will be released in the coming weeks.
- Identify and develop a plan to address additional training needs of your staff – ensure staff have necessary skills to succeed under new system, i.e. ability to conduct a thorough discovery process, completing a task analysis, development of natural supports, etc.
- What else are CRPs doing to prepare?