

2013-15 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Vocational Rehabilitation Services
Program Name: Vocational Rehabilitation Services
Policy Option Package Initiative:
Policy Option Package Title: WIN: Benefits Planning Services
Policy Option Package Number: 107-2
Related Legislation:
Program Funding Team: Economy & Jobs

Summary
Statement:

Fund 14 FTE contract work incentives coordinator positions and 4 FTE training, TA and admin positions needed to operate the statewide Work Incentives Network (WIN). Administered by Vocational Rehabilitation (VR) and implemented through contracts with Oregon’s Centers for Independent Living (CILs), WIN delivers benefits planning services to individuals with disabilities who want to obtain, maintain, or increase their employment. WIN addresses barriers to employment and loss of benefits of Oregonians with disabilities. Research shows that persons receiving these services are more likely to obtain employment, increase their incomes and decrease use of benefit programs.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$533,708	\$0	\$1,964,798	\$2,498,506

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This Strategic Funding Proposal will provide the funding necessary to continue Vocational Rehabilitation's (VR) Work Incentive Network (WIN) services. Under contracts that VR will execute with Oregon's Centers for Independent Living (CIL), the centers will employ 14.0 FTE benefits planning staff (work incentives coordinators or WICs). The WICs will provide benefits planning services to individuals with disabilities interested in obtaining or maintaining employment or increasing their employment. These services will include informing and advising individuals about how work may affect their benefits; the federal and Oregon work incentives available to assist them in obtaining and continuing work; and how, upon obtaining work or continuing to work, they may continue to receive services and supports needed to address their disabilities. In turn, individuals will be assisted in developing plans for obtaining or continuing to work, and with adjusting and revising plans as their circumstances, needs and benefits change over time.

VR will employ 4 FTE training, technical assistance, quality assurance, support and administrative staff to provide initial intensive and continuing training to the WICs; certification of and continuing support for the WICs; expert advice and consultation on work incentives and public benefit programs and processes; and oversight, data analysis and evaluation of CIL-delivered WIN services. Together, the WICs employed by CILs and the VR WIN staff will comprise a network that provides work incentive/benefits planning services to persons with disabilities throughout Oregon.

2. WHY DOES DEPARTMENT OF HUMAN SERVICES PROPOSE THIS POP?

- **Benefits planning services is an evidence-based practice that facilitates employment of individuals with disabilities, increases their incomes and reduces their reliance on public benefits and state services.**
- Over 4,660 individuals received WIN benefits planning services from 2008 through 2011, and an additional 1,260 or more received benefits planning services through public sources no longer available
- Between 2010 and 2011, WIN enrollees doubled their rate of employment, from 5% to 10%. A recent Minnesota study on benefits planning services (like those provided by WIN) found that the services resulted in a reduction of government benefits of more than \$97,000 per month leading to a potential return on investment of more than eleven million dollars over ten years.¹
- Between 2008 and 2011, 25% of WIN clients receiving SSDI have earned incomes at the “substantial gainful activity” level or higher after receiving WIN services. If these individuals are able to sustain their incomes, they will be able to reduce or eliminate their need for SSDI.
- Oregon’s 2008 study showed a decrease of 31% in TANF dependence and a decrease of 10% in Medicaid expenditures the 4th quarter after WIN services.
- Annual data on WIN for the past 4 years indicates that after receiving benefit planning services, WIN clients hours worked and earnings both increased, with earnings consistently showing an increase average of 30%.

- **It will provide a stable and continuing source of funding for benefits planning services.**
- To date, WIN has been funded through a Medicaid Infrastructure Grant which ends in December 2012 and time-limited VR funds. A number of other efforts have been made over the past twenty

¹ “Minnesota Work Incentives Connection, 2010 Evaluation Report”, Saint Paul, 2011.

- years to develop and sustain a statewide system or network of benefits planners but all of these efforts have failed for lack of continuing funding.
- Stable funding is critical to maintaining qualified and experienced staff. Development of proficient benefits planners takes about two months of initial training and about ten months of on the job experience. Inconsistently delivered services limited the success of prior benefits planning initiatives and can be disastrous and costly for clients.

 - **It will benefit clients of DHS/OHA.**
 - DHS adopted an Employment First policy for services to individuals with developmental disabilities (DD) leading to an increasing number of clients who need to know how work will affect national and state benefits. Up to 20% of WIN's case load has been individuals with DD with referrals coming from Brokerages, community based Centers, and DD Case Managers.
 - Between 25 and 40% of the WIN case load for each of the last 4 years, has been individuals served by Addictions and Mental Health (AMH) service systems. AMH expects employment programs to follow legislative dictates by using an evidence based service model. Based on national research on benefits planning evidence based employment models programs to offer benefits planning services as part of their program efficacy.²
 - Other DHS/OHA services and programs will benefit from the presence of the Work Incentive Network. For example, providers from other divisions in DHS could use the Work Incentives Network in planning individual supports and services according to each client's goals, so they are not limited to what can be afforded through DHS funding alone.

² Effect of Benefits Counseling Services on Employment Outcomes for People with Psychiatric Disabilities; Tremblay, Smith, Zie, Drake. (2006).

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

WIN aligns with the missions and goals of DHS/OHA and VR to increase self-sufficiency, independence and employment of individuals with disabilities, and sustaining of WIN is a DHS/VR breakthrough strategy. In addition to VR, there are a key performance measures in both Adults and Persons with Disabilities (APD) and Addictions and Mental Health (AMH) that advance employment of individuals with disabilities as a goal.

WIN is aligned with Oregon’s Healthcare Transformation on many key points. Both have goals of saving money while delivering high quality services; fostering client independence and client centered care; and providing knowledge that enables clients to make the best possible choices about their own care and their own lives.

4. IS THIS POP TIED TO A DHS/OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS/OHA MEASURE THE SUCCESS OF THIS POP?

VR:

WIN increases the number of persons with disabilities who become employed as a result of VR services, which is an VR’s key performance measure. VR clients earn 20% more money per hour and work more hours after receiving WIN and vocational rehabilitation services than when receiving only vocational rehabilitation services.

AMH:

AMH performance measures include supported employment. Local mental health authorities have a Transformational Measure that states, “Percent of individuals who report the same or better employment

status than one year ago.” Oregon’s newly forming Community Care Organizations (CCOs) have the same outcome and will, over time, become responsible for employment goals formerly managed directly by AMH through the local MH authorities.

Adults and Persons with Disabilities (APD):

APD has a key performance measure (KPM) that states, “Integrated Employment settings 23.5% of people with developmental disabilities who receive APD services who are working in integrated settings.”

Oregon has adopted an Employment First policy for individual with DD. Approximately 15% of the WIN client caseload includes referrals from community service agencies who are participating in Employment first activities like Discovery where clients learn about their skills and needs, including financial information from WIN. Another 8% come from rehabilitation centers where individuals with DD are exploring employment and need to know how employment will change their benefits.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

We considered the following alternatives and rejected them for the following reasons:

- Providing benefits planning training to DHS case management and AMH counseling staff through national or other consultants who periodically provide benefits planning workshops in Oregon. Given the complexity and interaction of 13 federal and 30 Oregon specific benefits and work incentive programs, it

would be impractical to ask case managers and counselors with many other responsibilities to develop and maintain a knowledge and understanding of current benefit and work incentive programs, and deliver benefit planning services. Provision of incorrect or incomplete information or advice can and does result in clients losing essential benefits, losing income, and being denied the opportunity to work or continue to work.

- Providing benefits planning through an internet based computer program. This strategy was tried early in the development of WIN but rejected when several problems arose. First, none of the programs developed could adequately address and anticipate people's circumstances and provide clear and complete information on the complex, interrelated and often changing rules that govern benefits and incentives. As a result, the computer programs added to people's confusion, rather than diminishing it. Second, because many individuals do not know what benefits they are receiving or understand them, they often fail to identify or properly account for their benefits and this can confound the benefits planning process – particularly when it is being facilitated by a machine and not a trained planner. Third, maintenance of the programs was time and labor intensive because of the programming needed to address the technical and evolving nature of the information involved with benefits planning. And, fourth, a number of individuals did not have access to the internet.
- Establishment of a fee-for-service benefits planning system. A fee for service system is problematic for these reasons. First, it is difficult to ensure that quality services will be delivered and failure to deliver services that are timely, accurate and appropriate can jeopardize subsistence income and essential services. Benefits planners are not a recognized profession with established training requirements and formalized standards. Anyone can claim to be a benefits planner. In fact, past efforts to establish and sustain a benefits planning service system in Oregon failed in part because of limited training, quality assurance, and continued support of individuals who served as benefits planners. Second, it is not clear that a fee for service system would be more efficient or less costly. A limited or fluctuating number of fee

for service planners would likely result in delays in getting services or wait lists and this could significantly undermine the effort to help individuals obtain employment or maintain their employment.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Not funding this initiative means that benefits planning services would discontinue. The absence of these services will likely reduce the number of persons with significant disabilities who participate in VR services and obtain or maintain employment. In addition, individuals with disabilities will have lower incomes and be more dependent on public benefits. Service systems become stressed by greater costs as unemployed individuals remain in their services.

Research on the effects of work shows that being employed is better for the health of individuals with disabilities, that schizophrenia-related hospitalization rates are higher in counties with high levels of poverty and unemployment and depressed employed were less distressed and depressed as those who are unemployed.³⁴ Conversely, the absence of employment is devastating for many with disabilities, correlating with increases in anxiety, depression and rates of sickness. As a group, people with disabilities are twice as likely to drop out of high school and lack health insurance; they are less likely to socialize, eat out, or attend religious services than their non-disabled counterparts; and 25% of people with disabilities live in poverty, compared with 9% of those without disabilities.⁵

³ Community-Level Correlates with Schizophrenia. *Psychiatric Services* 60(6). (2009).

⁴ The Social Costs of Job Instability. Libby, Ghushchyan; *Psychiatric Services* 61(12). (2010).

⁵ Disabilities: Current Trends; Social Workers Help Starts Here Website: <http://www.helpstartshere.org/Home.html>. (2008).

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

DHS/OHA clients will be served by Oregon's newly developing Community Care Organizations (CCOs), networks of health care providers working in their local communities for people who are covered under the Oregon Health Plan (Medicaid). As noted in section 4, benefits planning will benefit CCOs and those they serve to meet their employment outcomes. Local mental health authorities have a Transformational Measure that states, "Percent of individuals who report the same or better employment status than one year ago." Oregon's newly forming Community Care Organizations (CCOs) have the same outcome and will, over time, become responsible for employment goals formerly managed directly by AMH through the local MH authorities. As CCOs work closely with local DD service providing agencies, they can also expect the KPM of employment to continue as a local outcome expectation.

Availability of a high quality statewide benefits planning program will facilitate employment opportunities for students who are SSI/SSDI recipients and are transitioning from school. Accurate information about how work affects benefits and how work incentives can create opportunities for training and supported employment accommodations are the basis for creating both "dream" goals and for practical planning.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Existing staff will be maintained at current salaries plus any COLAs.

If re-allotment dollars are available, VR will request funds based on the Basic Rehabilitation Grant match rate in which the state general fund would comprise 21.3% of the cost with the federal dollars being 78.7%

14.0 FTE benefits planners has proven to be the minimum number needed to fill the need of individuals with

disabilities who are planning to work, needing help to maintain their employment, or increasing their earnings. Oregon's past experience in attempting to sustain benefits planning has shown that without ongoing training, technical assistance, quality assurance and support, the quality of services delivered deteriorates. 4 FTE training staff currently support WIN and it has maintained a degree of quality assurance indicating that this is the amount of support needed.

Funding for this proposal is the Basic Rehabilitation Grant (Basic 110); therefore, the services provided can only be for clients qualified for Rehabilitation services under this grant.

Implementation Date(s): 7/1/2012 (continuation of current program)

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities.** No.
- b. **Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document).** No.
- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.** No.

- d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

4 permanent positions will replace the 4 current limited duration WIN training, technical assistance, quality assurance and support staff positions and current staff will be rolled into those positions. The former limited duration positions were paid by Medicaid Infrastructure Grant funds.(If any of the 4 positions become vacant, it would require hiring).

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

The MIG has covered standard office costs for the 4 Administrative, Support and Training Staff and those costs would transfer from the grant to DHS. Computers, Blackberrys and other office equipment has already been purchased for these 4 positions.

- f. What are the ongoing costs?**

See the budget figures below

- g. What are the potential savings?**

When individuals with disabilities work part time and use Social Security work incentives programs, those programs pay for all or part of the services or supports that might otherwise be covered by Medicaid or another state program. Over time, these savings can be significant.

h. Based on these answers, is there a fiscal impact?

Yes, see budget, below.

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$115,836	\$0	\$420,806	\$536,642	4	4.00
Services & Supplies	\$417,872	\$0	\$1,543,992	\$1,961,864		
Capital Outlay	\$0	\$0	\$0	\$0		
Special Payments	\$0	\$0	\$0	\$0		
Other	\$0	\$0	\$0	\$0		
Total	\$533,708	\$0	\$1,964,798	\$2,498,506	4	4.00

DHS - Fiscal Impact Summary by Program Area:

	VR	Program Area 2	Program Area 3	Program Area 4	Total
General Fund	\$533,708	\$0	\$0	\$0	\$533,708
Other Fund	\$0	\$0	\$0	\$0	\$0
Federal Funds- Ltd	\$1,964,798	\$0	\$0	\$0	\$1,964,798
Total Funds	\$2,498,506	\$0	\$0	\$0	\$2,498,506
Positions	4	0	0	0	4
FTE	4.00	0.00	0.00	0.00	4.00

What are the sources of funding and the funding split for each one?

OVRS Revenue Impact:

<u>Description of Revenue</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
Licensing fees (Comp Srce 0975)	\$0	\$0	\$0
Basic 110 (Comp Srce 0995)	\$0	\$1,964,798	\$1,964,798
Total	\$0	\$1,964,798	\$1,964,798