

*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

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Division of Medicaid Services



WISCONSIN DEPARTMENT  
*of* HEALTH 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



# WI Managed Care System Design

- 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.

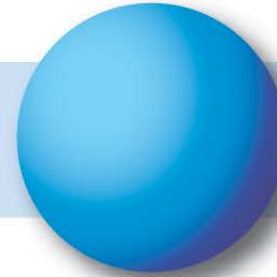
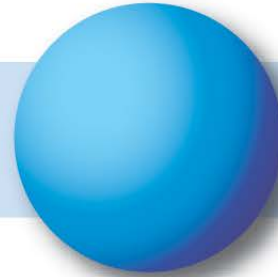
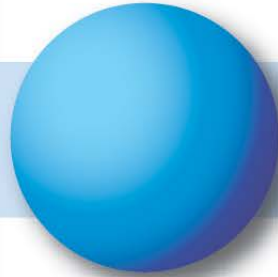
## IRIS

## Family Care

## Partnership/ PACE

### MA Waiver Services

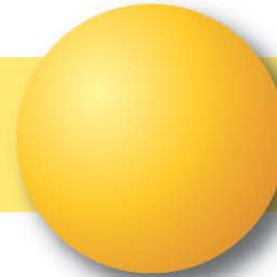
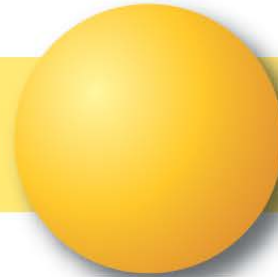
Supportive Home Care  
Home Modifications  
Home-Delivered Meals  
Lifeline  
Assisted Living  
Employment



### MA LTC Card Services

Home Health  
Medical Supplies  
Nursing Home  
Personal Care  
Mental Health  
Alcohol or Other Drug Treatment

Accessed Through  
Medicare or  
Medicaid Card

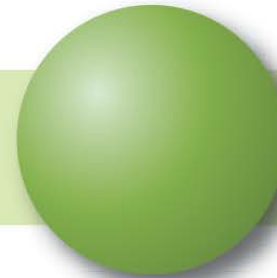


### Acute and Primary Medicare or MA

Emergency Room Visit  
Hospitalization  
Doctor Visits  
Lab Tests  
Prescription Drugs  
Dental Care

Accessed Through  
Medicare or  
Medicaid Card

Accessed Through  
Medicare or  
Medicaid Card



# 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 10<sup>th</sup> in nation for Medicaid HCBS expenditures as a percent of all long term care expenditures.
- In the AARP LTSS 2017 Scorecard Wisconsin ranked 6<sup>th</sup> overall in the nation and received the Pace Setter award for choice of setting and provider.

# Enrollment Data 6/30/18

	I/DD #/%	FE #/%	PD #/%	TOTAL
Family Care	22,416 46.5%	17,547 36.4%	8,263 17.1%	48,226 69.4%
PACE, Partnership	876 22.3%	1,858 47.3%	1,193 30.3%	3,928 5.7%
IRIS Self-Directed Care	7,642 44.1%	3,465 20%	6,213 35.9%	17,320 24.9%
TOTAL	30,935 44.5%	22,870 32.9%	15,669 22.6%	69,493 100%

# Long-Term Care Expenditures 6/30/18

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

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



# Entitlement for all target groups!!



# Medicaid Infrastructure Grant 2000-2011

- Review of nationwide best practices for facilitating CIE for people with IDD (2006)  
[http://www.nasuad.org/sites/nasuad/files/hcbs/files/146/7250/integrated\\_employment\\_best\\_practices\\_WI.pdf](http://www.nasuad.org/sites/nasuad/files/hcbs/files/146/7250/integrated_employment_best_practices_WI.pdf)
- **Managed Care and Employment Task Force (2007-2008)**  
<https://www.dhs.wisconsin.gov/employment-skills/mcetf-finalreport.pdf>
- Significant revisions to HCBS waiver prevocational and supported employment service definitions (2009-2010)
- CRP Rebalancing/Provider Transformation Initiative (2008-2012)  
[Outcomes Video: http://youtu.be/xd3qgUwLHbw](http://youtu.be/xd3qgUwLHbw)
- 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:

<https://www.dhs.wisconsin.gov/publications/p01786.pdf>

# 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

## Family Care, Partnership and PACE

Target Group	Total Members	18-64 Age Group
I/DD	22,566	18,986
PD	9,202	8,028
FE	19,034	
Total:	50,802	27,014

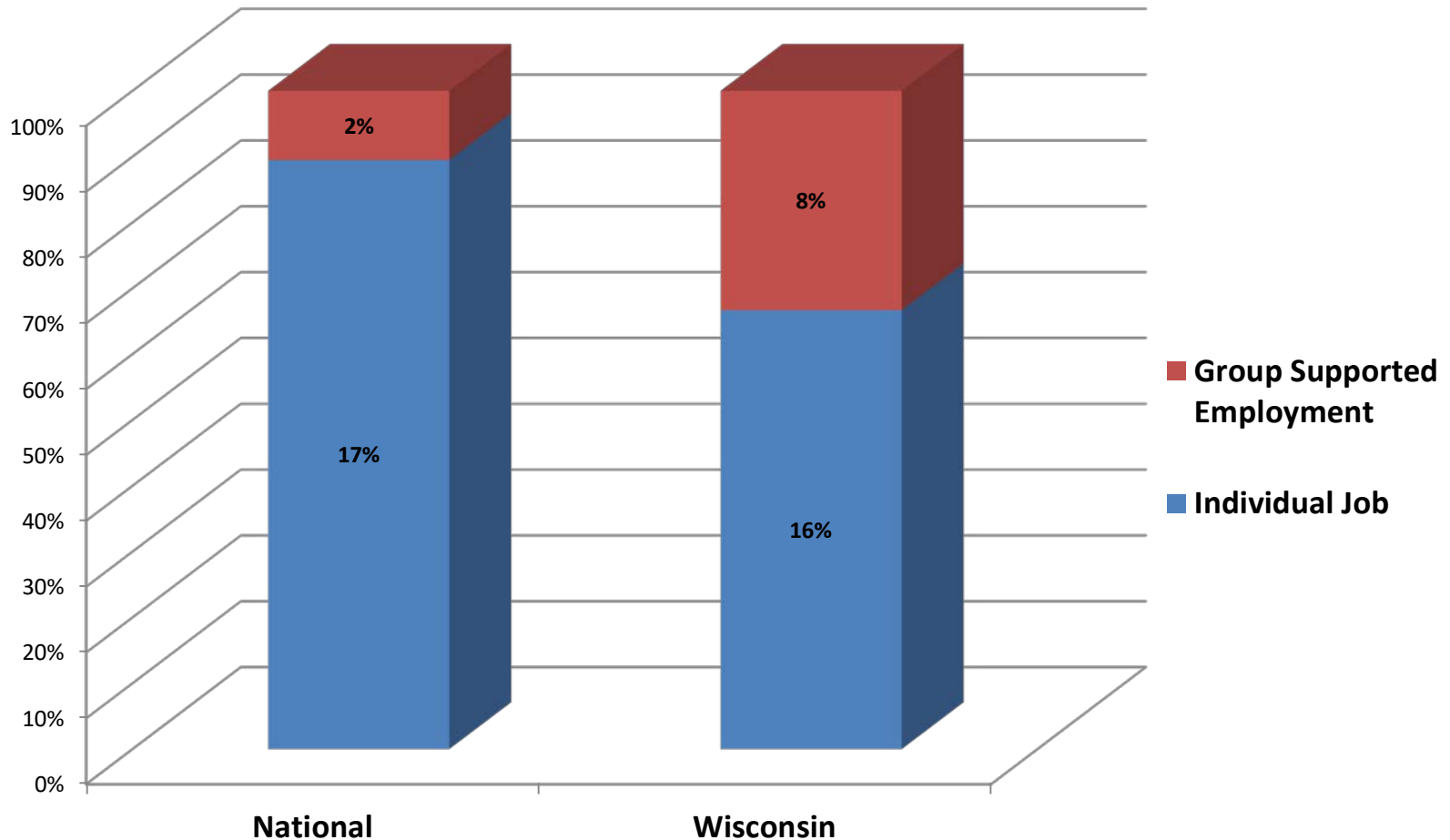
## IRIS

Target Group	Total Participants	18-64 Age Group
I/DD	6,999	6,618
PD	6,053	5,936
FE	3,317	
Total:	16,369	12,554

# National Core Indicators

## Employment Data: Persons with IDD

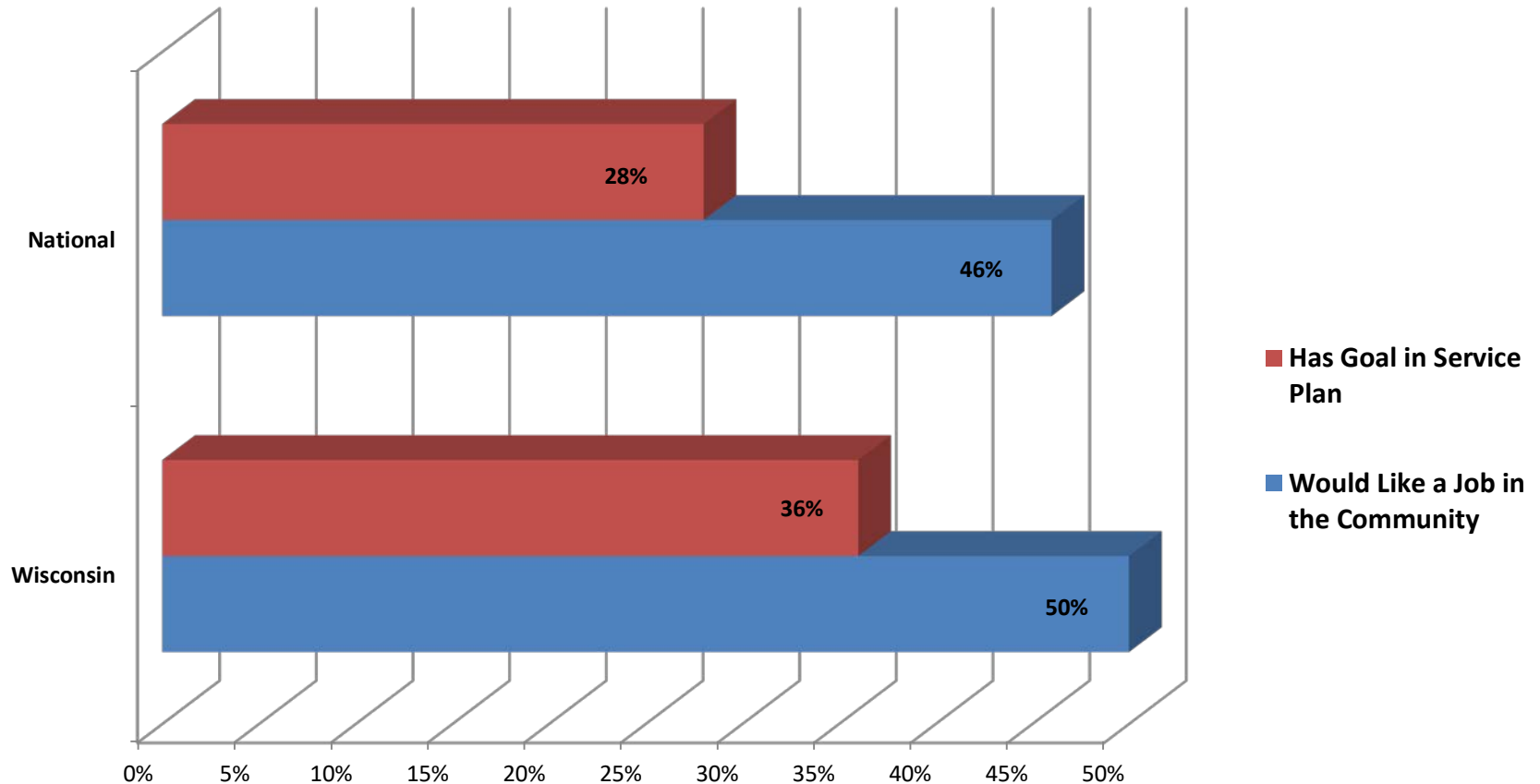
### Works in Integrated Employment



Source: National Core Indicators, 2016-2017

# Employment Services, continued

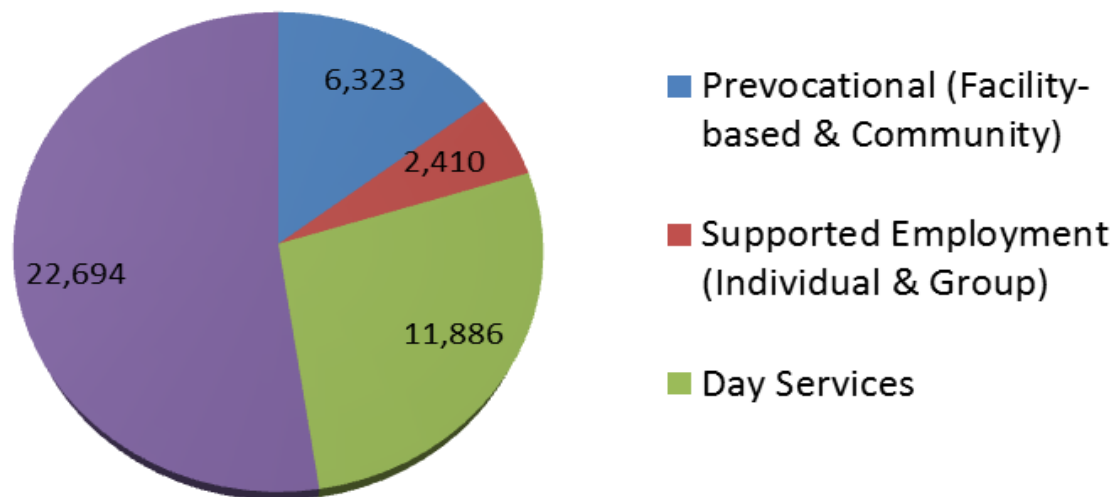
## Agencies Reporting Participants Interest in Employment



Source: NCI , 2016-2017

# Individuals in IRIS and FC Accessing Employment and Day Services

**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*

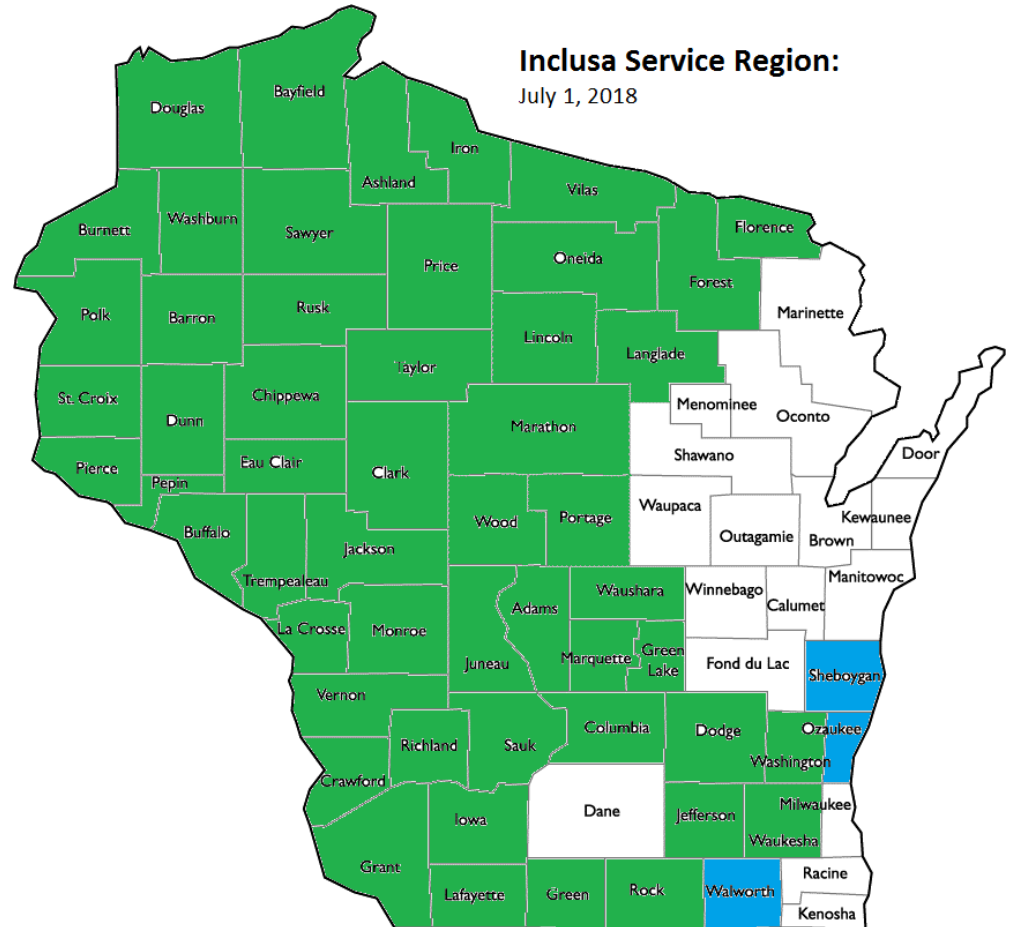
# Inclusa, Inc. – History & Perspectives

- 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.

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# Inclusa, Inc. Service Region



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# Inclusa Office Locations

LOCAL SUPPORT

**52**  
COUNTIES

**35**  
OFFICES



## People Supported by Inclusa, Inc.

Target Group	Enrollment	%
People with Intellectual/Developmental Disabilities	7,479	50.1%
Frail Elders	5,050	33.8%
People with Physical Disabilities	2,396	16.1%
<b>Total</b>	<b>14,925</b>	<b>100.0%</b>

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# Inclusa, Inc. – Who We Are...



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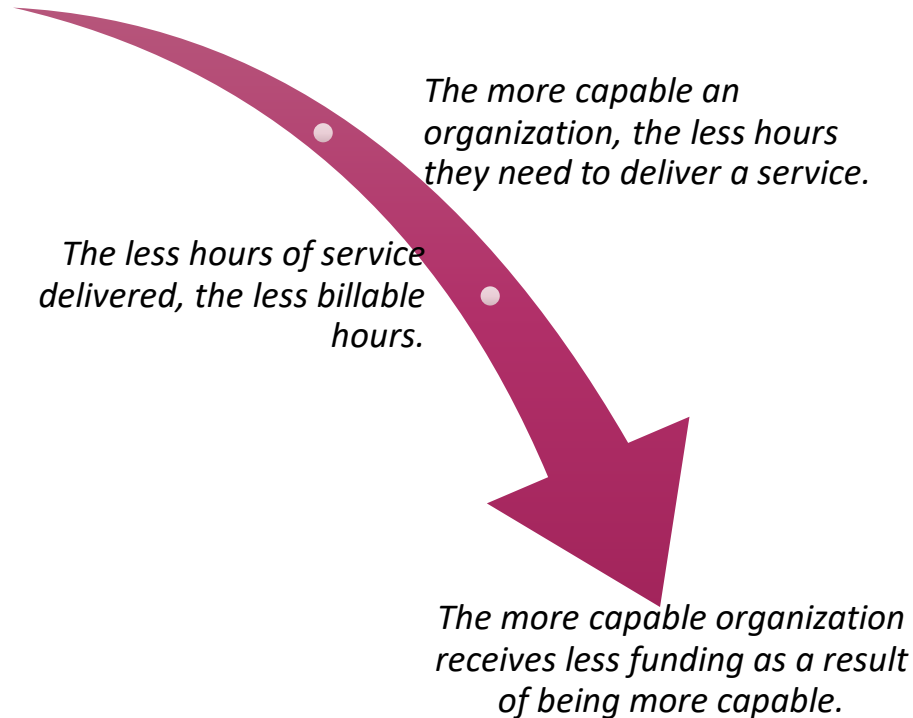
# Value-Based Purchasing Supported Employment

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# Why an Outcome-Based Reimbursement Model for Supported Employment?

*The paradox when paying by hour of service.*



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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

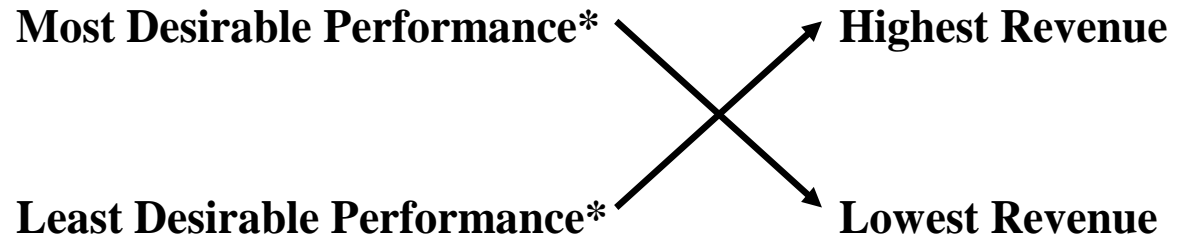
Allowing billing only for face-to-face service is contradictory to what we know to be good job development and worksite support strategies.

**Paying for Job Coaching Based on Hours Worked** by the Supported Employee

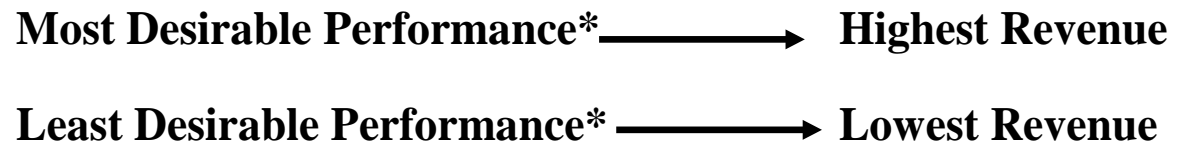
- Rewards fading (no loss of income; can realize increase in net income if fading above reasonable target expectation)
- Rewards moving individual toward full employment (increase in income)
- Incentivizes provider to prevent job loss or reduction in work hours

# The Impact of Paying For Outcomes

**Move Away From This:**



**Move Toward This:**



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, on-  
going 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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## Acuity Tiers

	Low Monthly Capitation Rate	High Monthly Capitation Rate	Difference
Tier 1	<b>\$7,927.00</b>	<b>\$10,502.00</b>	\$2,575.00
Tier 2	<b>\$5,351.00</b>	<b>\$7,926.00</b>	\$2,575.00
Tier 3	<b>\$2,775.00</b>	<b>\$5,350.00</b>	\$2,575.00
Tier 4	<b>\$199.00</b>	<b>\$2,774.00</b>	\$2,575.00

# Job Coaching Percentages Used for Rate Calculation

	<b>0-11 Months on Job</b>	<b>12-24 Months on Job</b>	<b>25+ Months on Job</b>
Acuity Tier 1	95%	78%	60%
Acuity Tier 2	80%	60%	45%
Acuity Tier 3	60%	40%	30%
Acuity Tier 4	35%	30%	24%

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Reimbursement Per Supported Employee Hour Worked  
Based on \$32/hour of job coaching service

<b>Acuity Tier</b>	<b>0-11 Months on Job</b>	<b>12-24 Months on Job</b>	<b>25+ Months on Job</b>
Tier 1	\$30.40	\$24.96	\$19.20
Tier 2	\$25.60	\$19.20	\$14.40
Tier 3	\$19.20	\$12.80	\$9.60
Tier 4	\$11.20	\$9.60	\$7.68

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# Key Steps In the Process

Focus on  
Provider  
Engagement

Invest in  
Technical  
Assistance

Risk Sharing

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# 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

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## Cost- Effectiveness and Quality:

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

**CY2013:** Average cost per supported employee hour worked was **\$9.93**

**CY2016:** Average cost per supported employee hour worked was **\$9.70**

**CY 2018 (Jan-May):** Average cost per supported employee hour worked was **\$9.75**

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# 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**

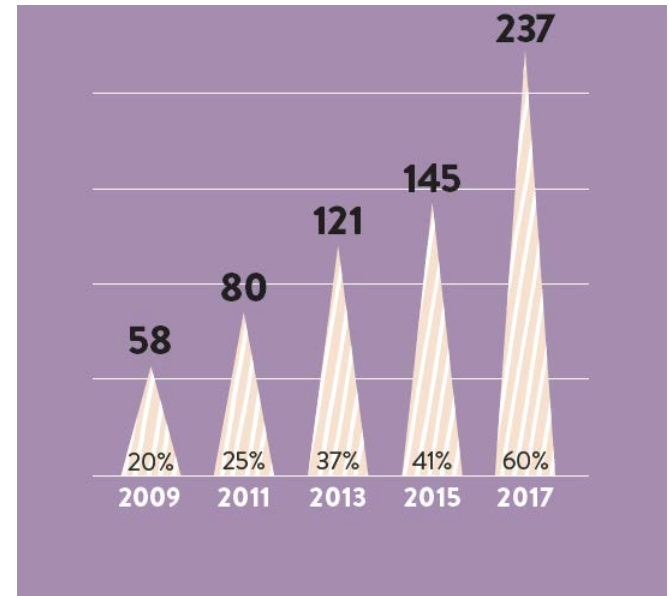
**Day Services/hour: \$12.00**

**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**

Ventures Unlimited, Inc.  
Story

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## Marla's Story

*“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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