

MIDD Advisory Committee / Steering Committee Modification Review Form

Proposed Change: One-Time Funding Addition to RR-10 BH Employment Services & Supported Employment

- ✓ **Fiscal Change to Existing MIDD 2 Initiative(s):**
 - ✓ Net Total Dollar Amount Change in Funding Level: +\$381,434 (one-time)
 - ✓ Net Percent Change in Funding Level: +19% (one-time)
- Programmatic Change(s):**
 - Population Served or Impacted¹
 - Outcomes or Results
 - Intervention
 - Performance Measures
- ✓ **One-Time Use of MIDD Funds**
 - Temporary Reallocation of Funds from Initiatives
Initiative(s) whose funds are proposed to be reallocated:
 - ✓ Undesignated or Underspent Funds
Net Total Dollar Amount: +\$381,434
- Proposed New Ongoing Initiative(s)**
- Other (describe):**

Revision Details:

a. High-level summary² of affected MIDD 2 initiative(s) prior to the change, if any

This proposal adds one-time funds of \$381,434 in 2018 to the *RR-10 Behavioral Health Employment Services and Supported Employment* biennial budget. This program provides evidence based job placement and job retention supports to individuals with chronic mental illness who are enrolled in mental health services as well as less intensive, referral and linkage services to individuals enrolled in substance use disorder services within the Behavioral Health and Recovery Division (BHRD). The program is available across multiple cities throughout King County (e.g. Kent, Auburn, Enumclaw, Renton, Federal Way, Shoreline, Central Seattle, etc.) This program reimburses service providers through a unique, performance/outcomes-based payment model where providers are paid each time a participant achieves certain job placement and job retention milestones. Therefore, when milestone achievements exceed estimates, more funding is needed. This one-time funding increase will allow the program to maintain the current service capacity through 2018. There is an expectation that forthcoming supported employment resources through the Medicaid Demonstration Project will help to support future funding needs for this outcomes-based program starting in 2019.

b. Details of the proposed change, including:

i. Origination of the change³

BHRD has been monitoring the implementation of the 1115 Medicaid Demonstration Project including the start-up of the “Foundational Community Supports,” a program that will allow individuals with Medicaid to receive Medicaid funded supported employment services. The MIDD 2 funding level for initiative RR-10 was developed with the assumption that the Medicaid-funded program would begin during 2017-18, but because it has started up more slowly than expected, it has become clear that more

¹ “Populations served or impacted” should include geographic regions and/or cultural communities where applicable.

² One-paragraph summary adapted from the MIDD 2 Implementation Plan initiative description that also reflects any revisions that may have been made to the initiative prior to this proposed change.

³ How did the proposed change come to the County’s attention as a needed action?

funding is needed for MIDD RR-10 on a one-time basis in order to continue to support outcome-based payment during the remainder of the 2017-18 biennium.

ii. Reason/basis⁴

Medicaid-funded supported employment services were expected to begin in early 2017, but they did not begin until January 2018, with services even now ramping up slowly during the start-up phase. Two other factors accounting for the need for additional one-time funding are:

- a 14 percent increase in job placements compared to the previous year, which resulted in more milestone payments to service providers, and
- the implementation of an “Order of Selection” policy by the Department of Vocational Rehabilitation (DVR) which limits the number of individuals receiving services from DVR, thus requiring more funding from the MIDD-funded supported employment program, which serves as a secondary payer to DVR.

iii. Timing⁵

The change will be implemented within the 2018 calendar year, as soon as the Advisory Committee completes its review. Advisory Committee action at its July 19 meeting will suffice.

c. How the proposed change addresses the Advisory Committee’s guiding principles for MIDD

The program is an evidence-based practice that reimburses based on outcomes, not services and has demonstrated significant reductions in hospitalizations and incarcerations by participants thereby increasing their overall health outcomes (See “Fact Sheet.”) It leverages both the federally funded DVR resources and Medicaid funded resources. Due to a “zero exclusion” policy, no one is turned away from enrolling based on a perceived lack of “work readiness.” Because of this, the program often serves some of the most marginalized individuals in our system who have declined traditional service offerings, thus serving as an entry point to engaging these individuals in other wellness services.

• How the proposed revision impacts the original intent of affected initiative(s)

This proposed revision will allow the program to maintain the current capacity through 2018.

d. Funding impacts, if any

This is a proposal for a one-time increase in funding by \$381,434 in 2018 only.

e. Evaluation impacts, if any

No impact.

f. Next steps

Funding will become available to providers to reimburse for employment outcomes beginning in August 2018.

g. Include staff analysis, if available

This program has demonstrated significant reductions in hospitalizations and incarcerations by participants based on a four year pre/post study of local outcomes found [here](#). As noted on our [employment website](#), national research has also demonstrated that connecting individuals to employment as a part of behavioral health treatment results in better treatment outcomes. This request is limited to funding for expected employment outcomes in 2018 at current capacity. As service providers become more skillful at placing and retaining individuals in competitive jobs in the community, aggregate reimbursement for various outcomes and milestones has been increasing. Several providers are interested in expanding their supported employment programs. DCHS continues to explore ways to respond to the demand for employment services in light of anticipated blended funding involving DVR and Medicaid. As the need for MIDD funding for this program is significantly affected by other systems’

⁴ To the degree feasible, address under “reason/basis” the benefits of making the change, risks of not changing, and any tradeoffs or strategic questions. If the change represents partial funding of a larger request or concept, reference this.

⁵ Address whether expedited review and action is needed, and if so, explain why.

participation, by the job market, and a shift to focus on the non-Medicaid population is anticipated, additional adjustments to the funding level may be proposed in the future.

Steering Committee Review:

Review date: 5/22/18

Comments, Questions, and Advice:

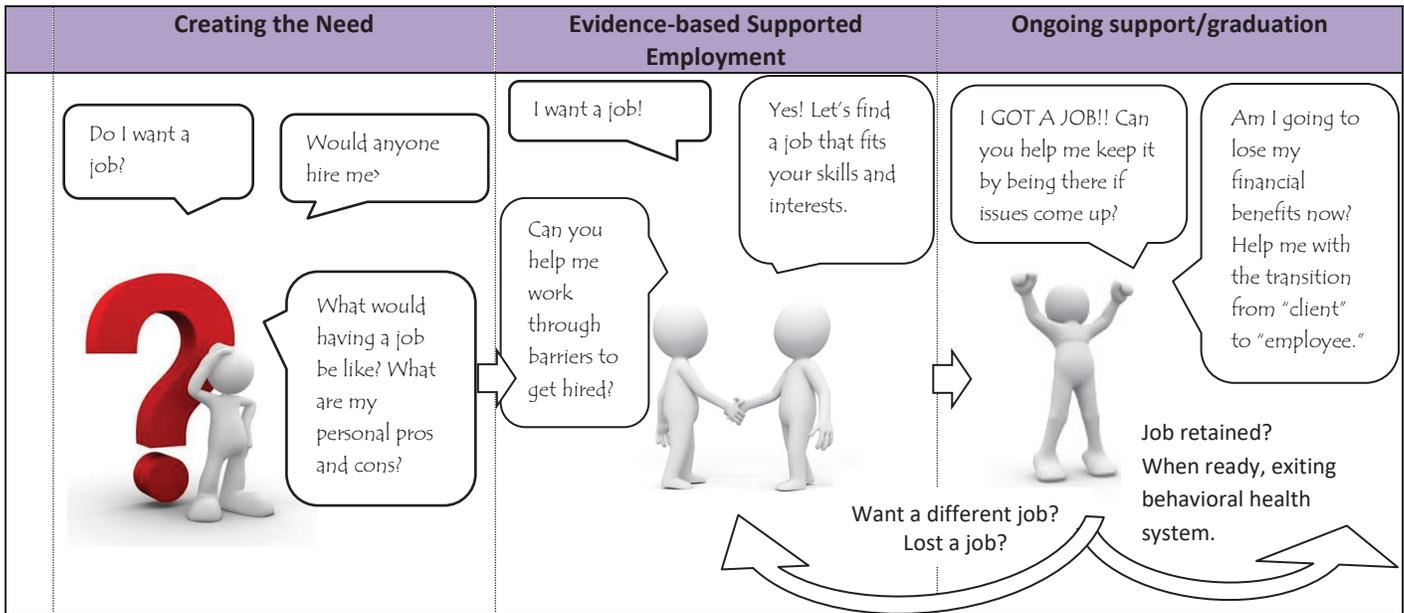
Full MIDD Advisory Committee Review:

Review date: 6/7/18

Comments, Questions, and Advice:

King County Supported Employment: What we do, Why we do it, and How we know it's working

What we do:



Why we do it:

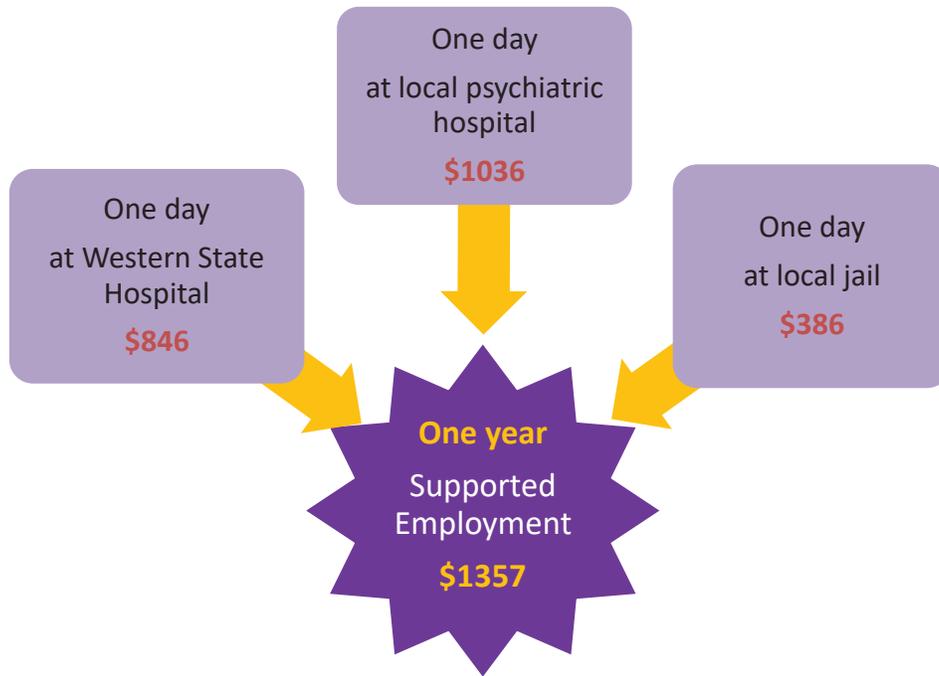
Crosswalk of Supported Employment and Recovery Principles*

Recovery Principle	Supported Employment Service Delivery Principles
Holistic	Work/sense of purpose impacts whole self; health, relationships, housing, spirituality.
Responsibility	Active participation in goal setting, and finding and keeping a job.
Strength-based	Focused on strengths, talents, skills, abilities and preferences.
Non-linear	Ongoing and extended employment supports after employment and whenever they are needed.
Respect	Competitive employment recognizes equality of the person's contributions and builds confidence.
Peer Support	Peers share personal work experiences.
Self-direction	People make decisions about their preferred job types, preferences and work setting.
Hope	Fosters hope and motivation for a better and more inclusive future in the community.

*Dartmouth Supported Employment 'IPS' Center

Meet Mack: Mack is a fifty year old, bi-racial African American and American Indian/Alaska Native man with a diagnosis of Schizoaffective Disorder and Alcohol Dependence. He has a history of homelessness and involvement in the criminal justice system. After receiving two years of services in the Supported Employment Program at Hero House, Mack has been employed for nine months as a Lead Chef with Aero-mark Food International. This position is the longest position he has held continuously in his lifetime.

Cost Comparison: One day of crisis or one year of employment support.



How do we know it is working?

↑	Job placements and job retentions are up
↓	Hospitalizations and incarcerations are down (see outcomes below)

Pre-Post Service Utilization*	PRE		POST		Pre to Post Change		% Pre to Post Change	
	Total	Costs	Total	Costs	Total	Costs	Total	Costs
King County Jail Bookings	254	\$53,264	177	\$37,117	-77	-\$16,147	-30.3%	-30.3%
King County Jail Lengths of Stay (days)	5,256	\$745,579	2896	\$410,743	-2360	-\$334,836	-44.9%	-44.9%
Episodes of Psychiatric Hospitalization	318	NA	129	NA	-189	NA	-59.4%	
Psychiatric Hospitalization Lengths of Stay (days)	7,469	\$7,095,550	2459	\$2,336,050	-5010	-\$4,759,500	-67.1%	-67.1%
Episodes of Western State Hospitalizations	63	NA	5	NA	-58	NA	-92.1%	
Western State Hospitalization Lengths of Stay (days)	2,053	\$1,043,745	128	\$65,075	-1925	-\$978,670	-93.8%	-93.8%

*This data represents a twelve month pre-post service utilization study for all enrolled King County Behavioral Health Supported Employment participants from January 2010-March 2014. For further information contact Lisa Floyd, King County Behavioral Health and Recovery Division at lisa.floyd@kingcounty.gov/(206) 263-8959.

Brief History

- ❖ Supported Employment (SE) is a nationally SAMHSA recognized best practice. Most widely researched employment model for individuals with serious mental illness.
- ❖ Offices are located geographically throughout King County and serve individuals in surrounding areas as well as at the site location. Offices are located in the following cities: Auburn, Bellevue, Burien, Enumclaw, Federal Way, Kent, Redmond, Renton, Seattle and Tukwila.
- ❖ The program started in 2009 due to the removal of Medicaid funded SE.
- ❖ Previously, statewide mental health providers closed their behavioral health employment programs. At one point, there were only fifteen behavioral health employment programs in the state with nine of those located in King County due to MIDD funds sustaining these programs.
- ❖ King County is the secondary payer for the Department of Vocational Rehabilitation (DVR). Providers leverage several hundreds of thousands of dollars each year. The average range is \$200,000-\$300,000 per provider, per year with one provider receiving \$720,000 in one year from DVR.

Outcomes

In 2017 we had a 30% job placement rate or **1 in 3 individuals are successfully placed into jobs.**

Out of that number 43% retained jobs for 90 days and 34% for 9 months. While these numbers may seem small, the actual impact and cost offsets are quite significant. Please see the “Impact” section below and the separate “Fact Sheet” document.

Impact

Please see “Fact Sheet” for more information about the data below.

The following is based on a pre/post analysis of the impacts from the employment program impact. Data was compared between twelve months before individuals entered the SE program and the first twelve months enrolled in the program. Findings include:

- ❖ **59% decrease in number of hospitalizations**
- ❖ 67% decrease in lengths of stay
- ❖ **30% decrease in number of jail bookings**
- ❖ 44% Lengths of stay in jail

In addition to these impacts, participating programs experience a ripple effect in their broader outpatient services because per fidelity requirements, the employment programs must routinely engage their broader agency to create an awareness about the value of employment as vital part of recovery.

Comparison of costs of other resources

The average cost of Supported Employment for one year of service is \$1357. Compared to:

- Average cost of a **local psychiatric inpatient** stay for one night= **\$1036** per day.
- **Harborview Medical Center** = **\$1300** per day.
- **Western State Hospital** = **\$846** per day.
- Average cost of **local jail** is \$189 daily plus standard booking fee of \$197 =**\$386.**

Research shows that benefits of work for...

People with mental health conditions include:

- Increased income
- Improved self esteem
- Increased quality of life
- Reduced symptoms**
- Reduced hospitalizations**
- Reduced incarcerations**

People with substance use conditions include:

- Higher rates of **retention** in treatment
- Higher rates of **successful outcomes in treatment.**

See more information on our employment website at www.kingcounty.gov/employmentpartners.

Budget Request/Rationale

Three reasons for this request for an additional \$381,434 in 2018.

1. Medicaid funded SE has been slow to start up. Budget expectations included this external program offsetting some (but not all) of the overage costs due to increased positive outcomes.
 2. DVR is now in “Order of Selection” and not serving as many people therefore KC SE as the secondary payer is paying outcomes more often than in the past.
 3. Job placements are increasing in this good economy. Increase of 14% in job placements in 2017 compared to 2016 which results in an \$115,000 increase in expenditures limited only to job placements and does not include expenditures for post placement job retention payments.
- ❖ Last year after expenditures of \$1,138,985, the program had \$833,833 left from the total biennial budget of \$1,972,818.
 - ❖ The monthly average expenditures in 2017 was \$94,415.
 - ❖ With similar estimates in 2018 the program will need \$305,000 to cover the same funding as last year. However this amount does not leave room for any increase in job placements/retentions outcomes so an additional 25% has been added. Please see budget scenarios for further details.

This funding is being requested because this **evidence based program** has routinely **demonstrated positive outcomes**, albeit on a small scale, in order to highlight the importance of having employment supports as part of effective of behavioral health treatment. Raising our own expectations and expectations from the people we serve about the ability and importance of getting back to work is our goal. To do this, our system is in the process of shifting from perceiving employment as an “add on/optional service” to a **vital part of behavioral health treatment that significantly impacts an individual’s recovery.**

**MIDD RR-10 Behavioral Health Services and Supported Employment Program
MIDD Funds Request/Budget Detail**

17/18 Biennial Budget	\$1,972,818.00
2017 Expenditures	<u>\$1,138,985.00</u>
Remaining Balance	\$833,833.00

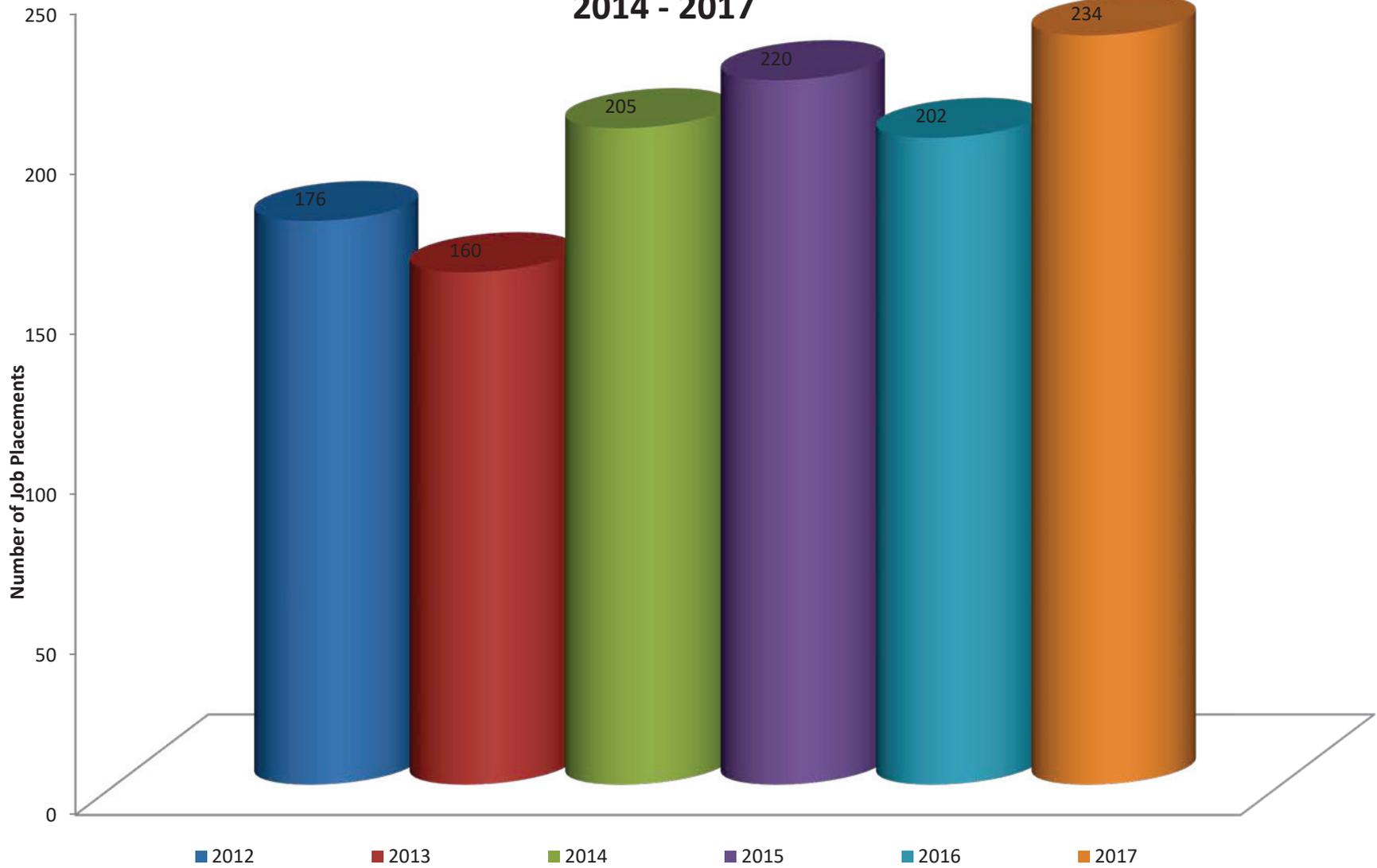
2017 Average monthly expenditures	\$ 94,915
2018 Monthly expenditures from remaining balance (\$833,833)	\$ 69,486
Difference (monthly)	\$ 25,429
	x12
Base amount (same funding as 2017)	\$ 305,147
*25% added to base:	<u>125.00%</u>
MIDD Funds Request:	\$381,434
2018 Revised Budget:	\$ 1,215,267

	<u>Average Yearly Expenditures</u>
2017	\$ 1,139,000
2016	\$ 1,212,000
2015	\$ 1,168,000
3 yr average	\$ 1,173,000

*25 percent projected increase in 2018 due to the following:

- 1) Start-up phase of external Medicaid Supported Employment Program
- 2) DVR/Order of Selection service reductions
- 3) Increase in 2017 Job Placements by 14%

Year-end Supported Employment Job Placements 2014 - 2017



Fact Sheet | Supported Employment

Treatment Effect of Supported Employment on Reducing Hospitalizations and Incarcerations

Description

The King County Behavioral Health and Recovery Division (BHRD) provides an evidence based model of Supported Employment (SE) services to individuals with serious and persistent mental illness who are enrolled in publicly funded mental health services. In a pre-post data analysis of participants enrolled in the program, data indicates that the provision of supported employment has a significant and positive effect in the reduction of hospitalizations, incarcerations and other costly services.

Background

Since 2008, King County has been providing the Dartmouth Supported Employment Center’s evidence based practice model of “Individual Placement and Support,” also referred to as supported employment. The SE program currently serves approximately one thousand individuals per year and successfully places approximately 25-30% of participants in competitive, integrated jobs that pay minimum wage or higher. Key components of this program include: rapid job placement vs. pre-vocational activities; non-exclusionary eligibility criteria i.e. anyone who is interested in becoming employed may enroll; cultivating employer relationships for job placement via a vocational specialists; and continuous employment support after successful job placement to ensure job retention.

Partners

The following contracted mental health agencies provide an integrated team that may include a: psychiatrist, therapist, case manager, peer specialist, vocational specialist, chemical dependency specialist, housing specialist.

Asian Counseling and Referral Services	Hero House
Community Psychiatric Clinic	Navos
Downtown Emergency Services Center	Sound Mental Health
Harborview Mental Health and Addiction Services	Valley Cities Counseling and Consultation

Partners also include: Dartmouth IPS, Washington State Division of Behavioral Health and Recovery, Washington State Division of Vocational Rehabilitation and Washington Institute for Mental Health Research and Training.

Funding/Budget Information

This program is funded by the King County Mental Illness and Drug Dependency (MIDD) Action Plan with additional funding provided in partnership by the Washington State Division of Vocational Rehabilitation.

Data/Results

Data includes all individuals enrolled in supported employment services from **January 2010 through March 2014**. The pre/post analysis indicates information number of episodes and/or the lengths of stay for specific community services in the twelve months prior to the individual receiving SE services and in the first twelve months of receiving SE services.

Data/Results-Pre-Post

	PRE		POST		Pre to Post Change		% Pre to Post Change	
	Total	Costs	Total	Costs	Total	Costs	Total	Costs
King County Jail Bookings	254	\$53,264	177	\$37,117	-77	-\$16,147	-30.3%	-30.3%
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Episodes of Western State Hospitalizations	63	NA	5	NA	-58	NA	-92.1%	
Western State Hospitalization Lengths of Stay (days)	2,053	\$1,043,745	128	\$65,075	-1,925	-\$978,670	-93.8%	-93.8%
Crisis service hours	3,851		4,300		449		11.6%	
Outpatient non-crisis service hours	65,079		100,610		35,307		54.6%	

Key Findings

- 1) SE services had a significant correlation with a reduction in hospitalizations and incarcerations.
- 2) A significant reduction in costly services was indicated not only for individuals who successfully obtained employment but also for those who had yet to achieve employment. This positive treatment effect may be due to the unemployed participants' active participation in the job search process which includes receiving support from an integrated behavioral health team.
- 3) Only two service categories increased after receiving supported employment services: community based mental health services (outpatient services) and crisis services. Consumers who were unengaged prior to enrollment may have increased their engagement in outpatient services for the purpose of obtaining employment. Crisis services may have also increased due to employed individuals seeking support before and after work or outside of the traditional "nine-to-five" hours of outpatient operations.

The increase in use of outpatient services is noted as a positive result of this program since this service is often underutilized by individuals who have higher rates of hospitalizations and incarcerations.