

MIDD Advisory Committee / Steering Committee Modification Review Form

Proposed Change: 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: \$552,345
 - ✓ Net Percent Change in Funding Level: 25%
- 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:
- 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**

The proposal would provide an additional \$552,345 to the 2019/20 biennial budget of *RR-10 Behavioral Health Employment Services and Supported Employment* in order to maintain the current service capacity levels of the evidence based, intensive Supported Employment Program (SEP) for payment of successful job placement and job retention outcomes.

Among MIDD strategies, the BHRD Supported Employment Program had the highest rate of prevention from local incarcerations at 91%. In other words, during the year under review, 91% of participants had no jail for three years after being enrolled in SEP services. Pre/post analysis of participants over a four and a quarter year period has also shown a decrease in episodes of hospitalizations by 59% and a decrease in lengths of hospital stays by 67% during the twelve months after participants are enrolled in this employment program.

BHRD has been implementing an evidence based supported employment program (SEP) since 2009. This service helps people with chronic mental health conditions to obtain competitive job placements in the community and includes follow along supports for up to a year or more after job placement to assist individuals to retain their positions. The payment methodology of this program is unique since funding is based on performance. Providers are reimbursed not for services but for the achievement of successful job placements and job retentions in the community. As these outcomes increase, the funding level of payments to providers also increase.

The program is available across multiple cities throughout King County including the following cities: Auburn, Bellevue, Burien, Des Moines, Enumclaw, Federal Way, Kent, Kirkland, Redmond, Renton,

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.

Seatac, Seattle, Shoreline, and Tukwila. Agencies that provide this supported employment service are: Asian Counseling and Referral Service, Downtown Emergency Service Center, Harborview Medical Center, Hero House Northwest, Navos, Sound, and Valley Cities Behavioral Health. The RR-10 strategy also has a separate, less intensive, referral and linkage program that connects individuals enrolled in substance use disorder services with a designated WorkSource staff for “light touch” employment assistance.

b. Details of the proposed change, including:

i. Origination of the change³

In 2017, one of our external funding partners, the Department of Vocational Rehabilitation (DVR), went into an “Order of Selection” budgeting process whereby the agency limited the number of individuals eligible to receive services from DVR due to budget reductions. Additionally in 2017, a new external funding source began called, “Foundational Community Supports,” through Amerigroup that allow individuals with Medicaid to receive Medicaid funded supported employment services. For MIDD 2’s RR-10 SEP budget, allocations were decreased from previous MIDD 1 budgeted amounts based on fiscal assumptions that this new funding source would provide a high level of new revenue for employment services. Unfortunately, this funding source has not generated the amount of expected funding so far. The low level of revenue is due to a slow start-up whereby contracting for this new service did not begin until 2018 due to Centers for Medicaid and Medicare timelines, and because the fee for service payment methodology has made it a challenge to generate revenue from this program. For example, employment specialists may drive 45 minutes each way to provide job-site support to an employed person for 30 minutes but only be able to receive payment for the 30 minutes of time spent with the individual. Based on the continued job placements and job retentions, and the decreased levels of funding from these external providers, funding is needed for MIDD RR-10 in order to continue to support outcome-based payments during the remainder of the 2019-20 biennium.

ii. Reason/basis⁴

The amount requested is \$552,345 and is based on the most recent service capacity in 2018. There are three main reasons for this request.

- 1) The need to maintain the high level of job placements and job retention outcomes that are being achieved in a thriving economy which results in a need for high levels of outcomes based payments.
- 2) The decrease in DVR funding due to DVR’s own budget reductions and their implementation of an “Order of Selection,” which is a DVR policy that limits the number of individuals receiving services from DVR, thus requiring more funding from the MIDD-funded SEP program.
- 3) The lower revenue received by SEP providers through the Foundational Community Supports Program. The SEP budget was decreased due to the forecasted FCS revenue that has not been generated by this new Medicaid funded program.

External funders have impacted SEP funding since one funder, the Department of Vocational Rehabilitation, has significantly decreased the amount of funding for SEP services due to budget reductions, and another funder, the Foundational Community Supports through Amerigroup, has not generated the amount of funding that was initially projected in 2017.

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

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.

iii. Timing⁵

The change will be implemented within the 2019 calendar year, as soon as the Advisory Committee completes its review. Advisory Committee action at its August meeting is preferred.

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. 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" or due to a lack of Medicaid. Because of this fidelity based principle, 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. Within the SEP population, the program serves individuals who are homeless (11% at entry into SEP), individuals with criminal histories (41%) and people of color (51%) who experience higher rates of unemployment than white counterparts.

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

The funding will allow the program to maintain the current capacity through 2019/20 as well as leveraging the FCS funding in 2020 since additional SEP funding received through this request will be tied to the levels of utilization of FCS funding by SEP providers. BHRD will continue to work with DVR to encourage funding during their budgetary restrictions to the greatest degree possible.

e. Funding impacts, if any

This proposal increases the funding of RR-10 for the 2019/20 biennium by \$552,345 in order to maintain current job placement and job retention outcome levels. The funding level is based on the gap between the allocated 2019/20 budget and the most recent year of expenditures in 2018. This funding is anticipated to be ongoing in order to maintain existing service capacity.

f. Evaluation impacts, if any

No impact.

g. Next steps

Funding will be amended into provider contracts in late September if approved by the MIDD Advisory Committee.

h. 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](#). The program demonstrates these outcomes not only for those who achieve job placement status but also for those who have yet to become employed. 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 and better overall quality of life.

Additional funds will allow the program to maintain current job placement and job retention outcome levels. Funding will also be leveraged to increase utilization of FCS funding by SEP providers for participants who have Medicaid and are therefore eligible for FCS employment services. RR-10 funding

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

will continue to be a much needed source of funding for individuals who do not have Medicaid and those who have 'spenddowns' whereby they do not have consistent Medicaid in order to access the FCS services. BHRD continues to explore ways to respond to the high demand for employment services as a critical component of behavioral health treatment that results in better health outcomes, higher levels of consumer satisfaction and lower levels of costly system resources including jail and hospital stays.

Steering Committee Review:

Review: 8/12/19

Full MIDD Advisory Committee Review:

Review: 8/22/19

Action: 9/26/19