

A stylized map of New York State is positioned behind the title text. The map is filled with a gradient from light green to dark green, matching the overall color scheme of the document. The background of the top section features a pattern of thin, white, curved lines on a dark green background.

New York Makes Work Pay

Developing a path to employment for New Yorkers with disabilities

www.NYMakesWorkPay.org

Developing a 21st-Century Approach to Enhancing Supported Employment Outcomes

Funded by New York Makes Work Pay
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Andrew J. Karhan, MPA, Wildwood Programs

Thomas Golden, MS, CRC, Cornell University

Patricia Dowse, MS New York State Rehabilitation Association

Gary Shaheen, MPA, Syracuse University

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Executive Summary

The inaugural decade of the 21st century has been marked by overall global economic instability, and more recently by uncertainty about the pace at which the U.S. economy will recover. Unemployment rates continue to rise, and the demand for vocational rehabilitation services by people with disabilities wanting to enter or reenter the workforce has greatly increased over the last 18 months. This has placed significant pressure on New York State's disability and human service systems. In particular, the State Education Department's Office of Vocational and Educational Services for Individuals with Disabilities (VESID), and the NYS Commission for the Blind and Visually Handicapped (CBVH) (from herein collectively referred to as NYS VR or the VR system) are being challenged to make their limited financial resources serve an expanding number of applicants for their intensive and extended supported employment services.

This paper aims to investigate the viability of developing a performance-based contracting system in New York State to assist Vocational Rehabilitation in successfully meeting the training and employment needs of its clientele and enhancing its efficiencies and effectiveness given these economically uncertain times. This concept and practice has been preliminarily acknowledged by the VR system as the right way to do business, and will be explored in this paper by referencing Osborne and Gaebler's six salient factors of performance-based contracting. In addition, evidenced-based practices and models from Oklahoma, Indiana, Alabama, Pennsylvania, Louisiana, and New York (Office of Mental Health Pilot in 2000) will be reviewed to provide examples of the positive and negative aspects of performance-based contracting.

As these systems are reviewed, we will offer a series of recommendations on the next steps in the development of a quality performance-based model in VR's supported employment program throughout New York State. These recommendations include:

1. Convening a statewide group of stakeholders that includes people with disabilities, to review the findings of this research and develop a viable performance-based contracting system that will ensure that individuals with the most significant disabilities are served; a system that maximizes the strength of the federal dollar to ensure the continuation of extended services;
2. Developing a system of clear performance indicators and formalizing of policies and procedures around the implementation of the Ticket to Work Partnership Plus program;
3. Providing comprehensive statewide training on performance-based service delivery.

In summary, the ability of New Yorkers with disabilities to access training and jobs with the assistance of VR-sponsored supported employment programs might be enhanced by examining ways that those programs could be restructured to improve outcomes within an increasingly tight economic environment. Performance-based contracting may offer one

method of achieving this goal, and the VR system in NY has increasingly agreed that identifying new and improved ways of doing business is the right thing to be doing.

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This research has been conducted to provide impartial evidence regarding the viability of performance-based contracting in New York State. Special acknowledgment is given to Rich Strohl, Frank Coco, and Thomas Guiffre of VESID in assisting with gathering systems data from other states. This paper is designed with the spirit of collaboration and full transparency in mind, so as to respectfully serve as a catalyst for change in New York State.

Introduction

The inaugural decade of the 21st-century has been marked by overall global economic instability, and more recently by uncertainty about the pace at which the U.S. economy will recover. The unemployment rate in the United States is now 10.2%, the highest it has been in 26 years (www.tradingeconomics.com, 2009). Moreover, according to American Community Survey statistics, the employment rate of individuals with disabilities ages 16-64 in 2008 was a meager 36.1%, a number that has only been exacerbated by the current economic climate (www.ilr.cornell.edu, 2009). In fact, a National Public Radio (NPR.org) report from November 2009 states that 21 million people out of 26 million people with disabilities are not participating in the labor force (Shapiro, 2009). While the vocational rehabilitation system in New York has made attempts to address this issue, the overall resources available to support the system are simply not adequate to meet the rising demand.

Beginning in the 1990s, and continuing with even greater emphasis in the current economic climate, policymakers have attempted to control the accelerated costs of public programs by instituting a variety of cost-saving measures. For example, many government programs throughout the United States have embraced the managed care approach to the delivery of services, which essentially manages utilization within cost reimbursement ceilings (Block, Athens, and Brandenburg, 2002). Unfortunately, these decisions have been made without substantive evidence showing that people with long-term needs can be effectively served under this model (2002). Nevertheless, the managed care model has become the funding methodology of choice for many services (especially clinical services), and as a result costs have continued to rise in state agencies like the Office of Mental Retardation and Developmental Disabilities (OMRDD), and the Office of Mental Health (OMH).

While managed care is often implemented to control costs, site-based individualized services under this model have proved to be very costly. These escalating expenses, coupled with increased scrutiny from the federal government regarding New York State's high utilization of Medicaid dollars, have forced these agencies to tighten regulations regarding eligibility for services. Limiting the number of people entering the front door is one method of managing service utilization and reducing growth. These limitations may curb costs. However, given the extent of need for employment services by people with disabilities, who remain predominantly unemployed or underemployed, new methods must be found to make competitive employment services more widely available while ensuring that resources are spent effectively to achieve the desired outcomes.

As eligibility and overall access to services have tightened, more individuals are utilizing extended services through the office of Vocational and Educational Services for Individuals with Disabilities (VESID). As a result, the limited state resources allocated to the vocational rehabilitation (VR) system for extended services have become overly burdened. Moreover, as the cost of extended services has increased, fewer state dollars have been available to the VR System to use elsewhere in order to meet the maintenance of effort standards set forth by the Rehabilitation Services Administration (RSA).

In addition, RSA began setting performance targets for successful case closures in supported employment in 1997 for state VR agencies (O'Brien and Revell, 2005). Case closures are achieved in supported employment when the individual has reached a point of stabilization, and has maintained that stable employment status for 90 days. RSA measures the state's performance (specifically under performance indicator 1.3) related to the percentage of individuals with employment outcomes who were competitively employed (www2.ed.gov). In 2008, 94.6% of New York State's outcomes were in competitive employment settings; this percentage fell slightly below the national average of 95.4% (www2.ed.gov). The goal in New York State is to improve these efforts and exceed the performance indicators set forth by RSA. In today's fiscal climate, each state dollar is of great value and outcomes are at a premium; therefore New York State must maximize the funds that it can contribute toward this effort and demonstrate a solid return on investment through even better placement outcomes.

As a whole, the VR system has not embraced the managed care model of service delivery, and has recognized that its current model of funding services is no longer adequate or sustainable. The need for change is evident. Yet without utilizing a managed care strategy, which is not recommended, NYS VR, like many other state VR programs throughout the country, is now faced with the momentous challenge of managing need against available resources. This compels the undertaking of a systematic review of past and present models to ensure that any model that is developed is done so in the context of clear, evidence-based practices that results in improved outcomes and efficiencies. Moreover, it is important to note that the VR System has recognized the need for these changes regardless of economics, and is earnestly seeking opportunities to simplify a complex regulatory funding and performance system while producing better outcomes for individuals with disabilities. The New York State VR System, like other governmental systems throughout the country, is in the middle of an evolutionary process that would be occurring regardless of these economic pressures. For example, Kettner and Martin (1998) point out that there are three distinct periods in human service contracting through which states move. These periods might prove instructive for New York State.

The first stage that Kettner and Martin refer to is the "maturing years." During this time, contract accountability is seen in process terms. Simply stated, the oversight provided by government takes the shape of defining the process of the service, and agencies are monitored based on the root of their ability to deliver the services as defined.

In the second stage, fiscal accountability transitions from a cost reimbursement model to unit cost contracts (Martin, 2000). During this time, funding agencies become concerned with units of services (e.g., one hour of service), rather than process (2000).

Finally, during the third stage, referred to as the "performance years," contracts are based on the performance of agencies rather than their unit outputs (1998).

The New York supported employment system is at a critical juncture in its evolution. It went through the first stage of Kettner and Martin's timeline in the 1980s, and entered the second stage in 2004 with the introduction of the fee-for-service model. Now, while

faced with the impending need to change, the supported employment system must consider how moving to a performance-based contracting system will achieve desired outcomes. Since economic uncertainty requires that diminished resources are expended effectively and efficiently, it stands to reason that we need to develop a more effective system for funding supported employment in New York State, one that produces the critical outcomes for people with disabilities. This paper can assist the vocational rehabilitation system in New York, in collaboration with state agency partners, in identifying models that have proved to be successful in other states, and in evaluating the relevance of those models to enhancing present-day conditions in New York State, while working toward the development of a 21st-century approach to supported employment.

Historical Context

The earliest roots of the vocational rehabilitation system in the United States can be traced back to the early 20th century. One of the pioneer programs/policies developed during that time was the Wagner-Peyser Act of 1933, which set up state employment services to assist unemployed workers in locating available jobs (Conley, 2007). Since those early beginnings, the VR system evolved through a number of steps that culminated in the development of supported employment programs in the early 1980s. Supported employment, as it exists today, is a well-tested evidence-based practice, which is a staple of the vocational rehabilitation system. While many experts agree that supported employment is more effective than other vocational models, the outcomes derived from the model vary depending on a number of factors (Revell, et. al., 2000).

For example, some contend that the success of a supported employment program relies heavily on an organization's faithfulness to implementing the model as its original design intended (McGrew and Griss, 2005). This might suggest limits to experimentation and innovation often needed to adapt to the changing needs of clientele and workforce/economic conditions. On the other hand, a myriad of other studies have indicated that outcomes within supported employment are based on fidelity to other critical factors. For example, Bond, Becker, Drake, Rapp, Meisler, Lehman, Bell and Blyler, (2001) contend that programs that maintain regular contact with individuals and effectively respond to an individual's goals, and those that have a holistic approach to their services, are more likely to produce better outcomes. Research demonstrates that the quality of a supported employment program is dependent on all of these factors as well as a number of others that have been collectively summarized in trade publications such as *Supported Employment Quality Indicators*, produced by the Association for Persons in Supported Employments (APSE, 2009, see Exhibit 1).

Overall, APSE contends that a quality supported employment program will meet quality indicators in three key areas: (1) individual choice and control of resources and supports, (2) supported employment personnel, and (3) organizational practices that support quality services (2009). When these three areas are firmly embedded in program practices, the result will be a quality supported employment program. In addition, discussion of the supported employment (SE) model must include recent efforts by the U.S. Department of

Labor Office of Disability Employment Policy (ODEP) to expand upon and improve practices through 'Customized Employment' (CE).

CE is an independently researched and evaluated model that does not supplant supported employment, but rather builds upon its most effective components to achieve results benefiting both employer and job-seeker (Elinson et al, 2005). Rather than using traditional vocational assessment, CE utilizes a process of *Discovery* that helps individuals identify their hopes, dreams, skills, experiences, and support systems to help them make better choices about preferred work environments, conditions and occupations (Elinson et al, 2005). Wage-paying jobs are then negotiated between the employer and individual through the use of traditional supported employment mechanisms such as job carving and workplace accommodations (Elinson et al, 2005). The elements of CE practice are consistent with supported employment because they are focused on consumer choice, integrated work environments and non reliance on "readiness prerequisites." These prerequisites offer best practice performance standards that VR and state agencies can weave into their supported employment menu without compromising the intent of that approach.

These factors are the fuel that drives a successful supported employment program. The challenge for New York is to determine how to change its currently under-performing supported employment system into one that will meet and potentially exceed expectations. Many states have struggled to identify a system of reimbursement that produces the desired outcomes for individuals with disabilities in sustained competitive employment in the community through supported employment services. As O'Brien and Revell (2005) state, the goal of the vocational rehabilitation systems is to create a triple win for the service system, where "the customer has informed choice and improved quality, the funding agency has increased accountability and outcomes for the dollars they spend, and the service provider has greater autonomy and a better business relationship with the funder." In 2004, by instituting a fee-for-service model, VESID took a critical step toward achieving this triple-win, increasing fiscal accountability by clearly defining how dollars were spent.

On one hand, while this model may have allowed New York State VR to contain costs through contracts for specific, well-defined, documented deliverables, it has been difficult to confidently conclude that consumers are better served, since the outcome data related to successful case closures under competitive employment has remained stagnant. These outcomes have even decreased since the introduction of the fee-for-service model in New York State (RSA VR 911 Data, 2009). For example, in 2003, before the fee-for-service model was introduced, New York State VR recorded 13,873 successful competitive case closures (of which supported employment accounts for approximately 22%). In 2006, two years after the implementation, there were 12,327 successful case closures recorded (RSA VR 911 Data, 2009). Subsequently, in 2008, New York State recorded a modest increase, up to 12,530 successful case closures. While the economy and other systemic issues may have some effect on these closure rates, New York's overall closure rate is roughly comparable to that of other states (57.6% vs. 56.7% average of other states), given the number of individuals with disabilities that remain unemployed. In some instances, however, the VR system in New York is already making positive strides in comparison to other states. For example, in

2007 New York State VR, when compared to other states like California, Alabama, Pennsylvania, and Indiana, had the highest percentage of individuals in VR with an SE goal reaching competitive employment status (24.2% compared to 12.7%, 4.8%, 3.2%, and 18.7% respectively) (www2.ed.gov). Nevertheless, the New York State VR system must do better than 24.2%. The effectiveness of the fee-for-service model in producing supported employment outcomes is unclear from looking at the data, but many anecdotal reports (from Oklahoma, Indiana, Louisiana, Alabama, etc.) suggest that the model is less than ideal in comparison with the performance-based system (2009). If New York State VR can improve its outcomes as its other states did through the implementation of a performance-based system the impact could be substantial.

The New York State Most Integrated Settings Coordinating Council (MISCC) is a cross-agency committee that is charged by the governor to implement the intent and provisions of the Supreme Court *Olmstead* decision, which required that people with disabilities have access to the most integrated living and work situations possible. The most recent data (collected from the 2009 MISCC Employment Data Report) indicates that New York State VR entered and served 14,800 individuals in supported employment in 2008. If the overall closure rate (for all services in VESID) is 57.6%, it could be assumed that roughly 8,500 individuals were successfully rehabilitated under supported employment in 2008. Unfortunately, supported employment does not account for 57% of closures. For example, when comparing 2008 figures to 2002, we find that in 2008, 23% of the 14,800 individuals who were served were successfully rehabilitated, compared to 22% of the successful closures in 2002 (VR 911 Data, 2009). As a whole this suggests that the systems closure rate has remained static, particularly when comparing data from years when economic recession in New York was present.

On the other hand, data regarding the effect of implementing performance-based contracting in producing increased competitive employment outcomes across the country contrasts with the history of implementing fee-for-service contracts in New York State. For example, studies have consistently stated that better outcomes are produced as a result of performance based contracting (Novak et al., 1999, O'Brien and Revell, 2005). Moreover, in states like Alabama and Pennsylvania the percentage of individuals served in the overall VR system who were successfully closed was higher than in New York and it could be inferred that these better outcomes were a result of performance-based contracting (RSA, 2009).

Under the current fee-for-service system, provider autonomy and flexibility have been greatly decreased as providers have become over-burdened with the reporting requirements and the less-than-adequate rates of the fee-for-service system. In general, fee-for-service systems reimburse for units regardless of outcomes, and for that reason providers are negatively reinforced to structure their operating budgets on time spent rather than on the goals achieved (Riggs, 1996). This system therefore indirectly increases costs to the funding agency and reduces the overall outcomes obtained, because the budgetary focus of providers drives behavior (McGrew et al., 2005). Consequently, on the basis of the data that is available, a fee-for-service system may not be the ideal mechanism to produce the

triple-win that is desired. A new system of service delivery must be developed in New York State that will achieve the triple win.

New York is not alone in this struggle to identify and implement a more effective service funding system for supported employment programs. In fact, as early as 1994 some states, including Oklahoma, Indiana, Pennsylvania, Alabama, Maryland, Massachusetts, Kansas, and Louisiana, in response to their respective systemic challenges as well as federal attention placed on incorporating performance into government, turned to the development of new models for funding supported employment services: results-based-funding or performance-based systems (O'Brien & Revell, 2005, Novak et al., 1999). While each state defined their system somewhat differently, there are key lessons that New York can learn from each of these experiences, and the service delivery models that will be explored in this paper.

However, New York State's supported employment challenges go beyond the provision of intensive services. New York State VESID and its partners also face a secondary challenge in maintaining a quality system of extended supports for individuals who require these services. As stated earlier, as the cost of extended services has increased, VESID has funded these services with state funds that could be used to support the maintenance-of-effort standards set forth by the RSA. Moreover, providing extended services places added pressure on VESID because of the minimal number of individuals exiting the extended roles each year. The culmination of these issues, combined with the tenuous fiscal environment, has created the perfect storm for changing the supported employment system in New York State.

This paper makes the case for considering performance-based rather than fee-for-service based contracting, by drawing upon the evidence of other states that have made the conversion, and makes a series of recommendations that will serve as a catalyst for change in VESID's supported employment program.

Evolution, Methods and Outcomes Related to Performance-Based Contracting

Many states marked the beginning of the 21st century with the conversion of their Vocational Rehabilitation (VR) supported employment funding systems from hourly fee-for-service to results-based or performance-based funding. Performance-based funding offers the benefits of increased focus on outcomes, increased accountability, streamlined services, and increased consumer choice and satisfaction (Novak et al, 1999). However, critics of performance-based contracting state that (1) it can create disincentives to serve individuals with the most significant disabilities; (2) that it creates a disincentive to make good job matches; (3) the value of the outcome is lost; (4) that it reduces the opportunity for career development, and (5) it places significant financial risk on the provider (1999).

Nevertheless, this systemic change has occurred in synergy with evidence based practices of the time, and as these systems have evolved, further evidence of the success of results-based funding has been produced. This paper will specifically explore the models developed in a variety of states including Indiana, Oklahoma, Pennsylvania, Alabama, Louisiana, and New York. While each model demands a full overview of its design to pinpoint the critical issues of performance-based funding, this exploration will occur via the construct of Osborne and Gaebler's six salient factors of performance-based contracting (McGrew et al., 2005).

Any comprehensive look into result-based funding and performance-based contracting must first begin with a discussion of Osborne and Gaebler's salient factors in designing performance-based contracts (O'Brien and Revell, 2005). In their historic book, *Reinventing Government*, Osborne and Gaebler (1992) cite six factors to consider when establishing performance-based contracts:

1. Involve providers and employees in developing the right measures;
2. Don't use too many or too few measures;
3. Subject measures to annual review and modification;
4. Watch out for creaming;
5. Watch out for perverse incentives; and
6. Focus on maximizing the use of performance data.

Each of these six factors is critical in the development of effective results-based funding, so we will briefly explore each factor.

1. Build Consensus:

It is important to involve key stakeholders in the development of any performance-based model. Stakeholders can often articulate problems and/or issues that are obvious to them but not immediately apparent to the funders who are not involved in the day-to-day provision of services (O'Brien and Revell, 2005). The New York State Office of Mental Health, in collaboration with New York State VR, placed a strong emphasis on involving stakeholders to build and pilot a results-based funding program in 2000 that has been cited as consensus-building model (2005). The program was designed through a collaborative stakeholder design process that included representatives from OMH, VESID, consumers, providers, researchers, and policymakers (Gates et al., 2004).

A similar technique was also utilized in Delaware between September 2005 and May 2006. A variety of collaborative techniques were used to develop the system including: focus groups of non-profit leaders, government leaders, and foundations; structured interviews with nonprofit and government staff who manage state contracts; web surveys given to nonprofit and government personnel; and document analysis that included an in-depth fiscal analysis of program budgets (Aristigueta and Foote, 2007). In Indiana, the design of the system was stakeholder driven, to ensure that the performance-based system would be acceptable to all parties involved, allowing for all parties to provide input on system design

so that concerns were effectively identified and addressed (McGrew et al., 2005). Finally, in Texas, a structured statewide consensus conference was held to provide an opportunity for evidence-based practices to be reviewed collectively by stakeholders who were drawn from various arenas for the purpose of determining principles to be followed in the development of a system (Cook, Toprac, & Shore, 2003). Overall, the one common thread woven through the design of all these systems was the importance of consensus-building. Without a concerted consensus-building effort the system will be met with great resistance and skepticism.

2. Use Effective Measures:

The development of meaningful measures is another critical component of a strong performance-based contracting system. Osborne and Gaebler (1992) caution systems developers to ensure that measures are effective. They should determine the level of achievement of outcomes. Novak et al. (1999) states that funding mechanisms are most likely to be effective if incentives encourage providers to place a greater number of individuals in employment, while ensuring that consumer choice is respected (1999). Perhaps one of the more comprehensive reviews of a system's effectiveness occurred in Indiana, with a study conducted by McGrew et al. (2005). This study consisted of an empirical look at the outcomes achieved in Indiana's performance-based contracting system compared to its previous fee-for-service model. The study found that compared to the fee-for-service model, the results-based funding model indicated better outcomes for individuals (2005).

In particular, the two milestones that are key to the success of Indiana's model (see Table 1) are the milestone of case closure (60 days past stabilization), and nine months of employment (reimbursed by the Division of Mental Health and Addiction).

Table 1: Indiana Model (Tier 1)

Indiana Model (Tier 1)	
Milestone	Payment
Completion of Person-Centered Plan	\$1,200
5th Day of Employment	\$1,200
1 Month of Employment	\$1,864
Case Closure (60 days post stabilization)	\$4,000
9 Months of Employment (DMHA funded)	\$1,000

In summary, the study found that individuals in the performance-based contracting system were more likely to reach the nine-month retention marker than their respective counterparts in a fee-for-service model (2005). Consequently, it is presumed by the researchers that these better outcomes result from cultural shifts in organizations to meet the expected measures. They therefore contend that “a structured program of ongoing support, such as the results-based funding milestones, in contrast to the fee-for-service model was a key factor in achieving the (higher) nine-month employment result (2005). This has significant implications for state’s access to the Social Security Administration traditional cost reimbursement model, as it will increase reimbursements to the State.

On the contrary, if measures are not properly designed, significant issues arise. For example, when too many measures are used, it can create confusion for the providers and the VR counselors (Osborne & Gaebler, 1992). For example, while the Oklahoma model has been very successful, it presents a level of complexity that can create, without specific criteria for defining the severity of an individual’s disability, confusion and/or disagreement between the service provider and vocational rehabilitation counselor. Clear guidelines regarding the classification methods of individuals are needed to ensure that individuals are appropriately placed in the correct funding category.

The Oklahoma model (see Table 2) established four levels, or “tiers,” to classify individuals who would access supported employment services. The types of individuals who are served in each tier have been clearly defined and agreed upon by VR and the provider community, so while the model is more complex, the complexity was reduced because great efforts (over a four-year implementation process) were taken to develop a functional and effective model (Novak et al., 1999). Nevertheless, the caution remains to develop clear measures to ensure the success of the system. Since Oklahoma was the first to develop the performance-based model, it has served as the litmus test by which all other states have measured themselves; their successors have likewise implemented performance-based systems with clearly defined measures (Brooke et al., 2000). In fact, the Oklahoma model is so well respected it has been recognized as an exemplary model of contracting by the Council of State Governments, the Harvard Kennedy School of Government, Duke University’s Sanford School of Management, the Ford Foundation, and SSA (2000).

A final caution here is that when measures are scarce, or the milestones become too heavily weighted, other issues (e.g., creaming, which will be discussed later) can arise over time (Osborne and Gaebler, 1992). In fact, while Indiana’s model can be cited as effective in creating better outcomes, it is more vulnerable to creaming because the final benchmark is so heavily weighted.

Table 2: Oklahoma Milestone Model

Oklahoma Milestone Model: 2005 Tiered by increasing Level of Need		Payment
Tier 1		
Milestone AS: Assessment and Job Preparation		\$200
Milestone PL: Job Placement		\$620
Milestone RE: Successful Rehabilitation		\$1,200
	Total	\$2,020
Tier 2		
Milestone AS: Assessment		\$330
Milestone VP: Vocational Preparation (optional)		\$330
Milestone PL: Job Placement		\$330
Milestone R4: 4 Weeks' Job Support		\$920
Milestone RE: Successful Rehabilitation		\$1,320
	Total	\$3,230
Tier 3 – Supported Employment Regular Rate - Most Severely Disabled (Needing long-term support but does not meet Highly Challenged criteria)		
Milestone AS: Assessment and Career Planning		\$500
Milestone VP: Vocational Preparation (optional)		\$500
Milestone PL: Job Placement		\$1,350
Milestone R4: 4 Weeks' Job Support		\$1,800
Milestone R8: 8 Weeks' Job Support		\$1,350
Milestone ST: Job Stabilization		\$1,700
Milestone RE: Successful Rehabilitation		\$2,300
	Total	\$9,500
Tier 4 – Supported Employment (Challenged criteria)		
Milestone AS: Assessment and Career Planning		\$500
Milestone VP: Vocational Preparation (optional)		\$500
Milestone PL: Job Placement		\$2,500
Milestone R4: 4 Weeks' Job Support		\$1,500
Milestone R8: 8 Weeks' Job Support		\$1,500
Milestone ST: Job Stabilization		\$1,700
Milestone RE: Successful Rehabilitation		\$3,300
	Total	\$11,500

(O'Brien and Revell, 2005)

3. Periodically Review Measures:

Systemic evaluation is an essential part of solid program development. Evaluation is important because no system is designed perfectly. It is likely that any system will require refinement, and consequently key stakeholders should review the programmatic results to ensure that there are no unintended consequences resulting from the implementation, and to make changes to the system as necessary (O'Brien and Revell, 2005). To date, each state that has developed a performance-based system has developed something that is unique. This is an acknowledgment that there are a variety of ways to implement a performance-based system.

Overall, much of the research cited above reflects some variance in the research approach that states undertook. In some states, like Indiana, the review of these systems took an empirical approach, while in other states, like Alabama, Delaware, Texas, and others, the approach was more qualitative in nature. In either case, the commitment to review these measures was evident (McGrew et al., 2005, Brooke, et al., 2000, Aristigueta and Foote, 2007, and Cook et al., 2003). In the end, evaluation is critical to the success of the program. In fact, Carmen and Fredericks (2008) present a meaningful perspective on reason for evaluation. Specifically, they state that funders as well as other stakeholders should not be conducting evaluation so they can demonstrate that they are doing good work; rather, funders as well as stakeholders should be conducting evaluation so they can do better work (2008).

4. Watch Out For Creaming:

The fourth factor to consider, and arguably the most unnecessarily feared and discussed, is creaming. Any system that is designed must be balanced in a way that individuals with the most significant disabilities are served, rather than focusing on people who can be assisted more quickly, easily, or inexpensively (O'Brien and Revell, 2005). However, creaming is easily accounted for by risk-adjusting the payment system to ensure that providers are appropriately compensated for incurring the additional risk of the hard-to-serve individuals (2005, Novak et al., 2000, Osborne and Gaebler, 1992). One way of risk-adjusting the payment system is seen in the Oklahoma model (Table 2) (Novak et al., 2000). In this model, individuals are placed on tiers to ensure that providers have an incentive to serve the most difficult-to-serve individuals by offering providers increased rates to do so (2000). Another way to accomplish risk adjustment can be seen in the Pennsylvania model (see Table 3) (2000).

In the Pennsylvania model each consumer is individually assessed by the VR counselor and the provider to determine the individual's level of need based on the use of a comprehensive assessment and employment needs worksheet (A. Karhan, personal experience, 2003). In this model, the VR counselor adds a level of quality control, to make sure the individual truly gets what he or she needs. Providers are then reimbursed according to the specific needs of the individual rather than by their placement in a general tier. However, the Pennsylvania model introduces a level of complexity that is not present in models from

other states, which derives from the individualized and person-centered negotiation of individual contracts for services that tax counselor resources by including in their list of roles the title of “fiscal manager.” The challenge here is to determine whether the tiered model of performance-based contracting effectively reduces the possibility of creaming. For instance, Oklahoma conducted a study after the full transition to a milestone system occurred, and it found that the same percentage of difficult-to-serve individuals were being served in both models, thereby disproving the illusion of creaming (O’Brien and Revell, 2005). Yet, if a tiered model is not feasible, the Pennsylvania model offers another mechanism to reduce creaming.

Table 3: Pennsylvania Model

Pennsylvania Model*	
Milestone	Appropriation / Payment
Assessment	Fee-for-Service
Enrollment	15%
Placement (5 working days)	35%
45-Day Retention (calendar days)	25%
90-Day Retention (calendar days)	25%
*Actual rates vary based on the need of the individual and the rate of the provider.	

In addition to risk adjusting rates there are also other ways to tackle the challenge of creaming. One method is using effective measures that are periodically reviewed to ensure that creaming is avoided. Another method is developing reasonable incentives for the provider, while emphasizing the delivery of quality services (through the development of concrete quality indicators) that will also ensure that all people with disabilities can be served (O’Brien and Revell, 2005).

5. Develop Reasonable Incentives:

Care must be taken not to create perverse incentives while risk-adjusting the system (O’Brien and Revell, 2005). For example, excessive emphasis should not be placed on the closure benchmark, as this will lead to providers screening out the difficult-to-serve individuals who are unlikely to meet the benchmark in order to maximize their revenue (2005). The Alabama model has the potential for this to occur. Table 4 shows that, like Pennsylvania, they operate in a four-milestone system (Brooke et al. 2000). However, the Alabama model is heavily weighted toward the retention outcome, which if left unchecked could lead to providers choosing to serve only the easiest consumers. Supported employment has already been criticized in the past for not meeting the needs of persons with the most

significant disabilities (Mank, 1994; Wehman and Kregel, 1995). While many would argue that supported employment providers have successfully dispelled this theory over the last decade, it would be unfortunate to see the system regress to its former state as a result of poor system design.

However, the Alabama model, like its counterpart in Indiana, requires providers to perform well, by meeting critical outcomes, in order to sustain their program (Brooke et al., 2000). Consequently, under this model unproductive providers need to honestly reevaluate whether a supported employment program is the best fit for their organizational culture and agency capacity, or whether they are better equipped to offer other services. Unfortunately, many supported employment providers have experienced the effects of the irresponsible supported employment provider that has not properly nurtured its business relationships, has provided inadequate job developer training and has consequently limited competitive job opportunities for people with disabilities. An effective model should allow some criteria for the elimination of under-performing providers that can have an unanticipated positive effect on the overall supported employment system in the community. While this should never be the intent of a performance-based system, establishing criteria for effective performance and adherence to evidence-based practices holds providers accountable for their outcomes, particularly if incentives are not properly developed to adequately support providers through the learning process.

Table 4: Alabama Model

Alabama Model	
Milestone	Appropriation / Payment
Milestone I: Determination of Need (two situational assessments in community)	15%
Milestone II: Hire	20%
Milestone III: Job Retention/Job Coaching	30%
Milestone IV: Closure (90-day retention period required by VR)	35%
Average Cost:	\$5,200

Byron White, Alabama APSE President 2009)

6. Collect Data on Performance:

Finally, a constant focus should be on performance data that provides real-time information on customer satisfaction, milestones achieved, and billing (Revell & O’Brien 2005).

Under this criterion, the understanding of what data to collect is essential to defining performance. The Louisiana Rehabilitative Services (LRS) program (see Table 5) has developed

what O'Brien and Revell (2005) have called the next generation of milestone payment systems with the assistance of Jim Hanophy (2004). In particular, Hanophy assisted LRS in developing quality indicators for each milestone in the system.

Table 5: Louisiana Tier 2 Supported Employment Milestone System

Louisiana Tier 2 Supported Employment Milestone System		
Louisiana Rehabilitation Services Tier 2: SE Milestone System	Payment	Quality Indicators that must be met for payment to be made:
MILESTONE 1: Employment Assessment and Narrative Report	\$538	<ul style="list-style-type: none"> • CRP must provide LRS Counselor a copy of the Employment Assessment Report with Activities Form attached (SEI & SEIA) • All quality indicators for the Supported Employment Assessment must be met for payment to be authorized.
MILESTONE 2: Job Development and Placement (Completion of one day of work)	\$1,545	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • Job Development activities reflect efforts to assure a good job match. • That a job match analysis and Natural Supports Training Plan (which is the vendors plan for on-and-off site job supports and/or consultation to be provided) was completed before the job began is based upon assessment results, and reflects the IPE goal. • A description of the consumers scheduled job duties, work hours, and rate of pay. • That the consumer has completed the first day of work and reports satisfaction with the job to the vendor. • All quality indicators for this milestone must be met to authorize payment.
MILESTONE 3: One-Month Job Retention	\$1,009	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • That the consumer completed one month of work (as per check stubs or other documentation). Weeks of employment are cumulative but DO NOT have to be consecutive or on the same job with documented reason. • That effective on-and-off site supports and/or consultation to assist the consumer in adjusting to the demands of the integrated work environment were provided. • All quality indicators for this milestone must be met to authorize payment.

<p>MILESTONE 4: Two-Month Job Retention</p>	<p>\$1,009</p>	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • That the consumer completed two months of work (as per check stubs or other documentation). Weeks of employment are cumulative but DO NOT have to be consecutive or on the same job with documented reason. • That effective on-and-off site supports and/or consultation to assist the consumer in adjusting to the demands of the integrated work environment were provided. • All quality indicators for this milestone must be met to authorize payment.
<p>MILESTONE 5: Three-Month Job Retention</p>	<p>\$605</p>	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • That the consumer completed three months of work (as per check stubs or other documentation). Weeks of employment are cumulative but DO NOT have to be consecutive or on the same job with documented reason. • That effective on-and-off site supports and/or consultation to assist the consumer in adjusting to the demands of the integrated work environment were provided. • All quality indicators for this milestone must be met to authorize payment.
<p>MILESTONE 6: Job Stabilization/ Transition to Extended Follow-Along</p>	<p>\$605</p>	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • That the consumer is now working at least the maximum number of hours they can as a result of their disability (minimum of 20) as per check stubs or other documentation. • That effective on and off site supports and/or consultation to assist the consumer in adjusting to the demands of the integrated work environment, and now only minimal support is necessary for the consumer to maintain employment. • All quality indicators for this milestone must be met to authorize payment.
<p>MILESTONE 7: Successful Case-Closure (90 days of satisfactory employment after Milestone 6)</p>	<p>\$1,415</p>	<p>Documentation from the CRP must include:</p> <ul style="list-style-type: none"> • That the consumer is now working at least the maximum number of hours they can as a result of their disability (minimum of 20) as per check stubs or other documentation. • That minimal effective on and off site job supports and/or consultation were needed and provided in order for the consumer to maintain employment. • Vendors written plan for on-and-off site long-term job supports/follow-along and/or other consultation.

These indicators are comprehensive and well defined, and as a result providers clearly understand the funder's expectations. When providers understand the expectations of quality, they will work towards these expectations, and when outcomes are reached, quality is assumed. If quality is not present, then outcomes are not achieved. However, the indicators must be based on evidence-based practices and supported employment fidelity scales so that the outcomes truly ensure that the quality of programming has been obtained.

While statistical information is important in determining which reimbursement method to use, a number of factors greatly compromise the government's ability to collect and evaluate comprehensive, accurate, and comparable information (Conley, 2007). The requested information is often scattered among different operation units of the service provider, similar types of data are recorded differently by different service providers, and the data needed to answer some questions is simply not available or maintained by the provider (2007). The Louisiana milestone model addresses these issues by ensuring that all providers are collecting the same data, in the same way, and keeping it in one location so that a governmental review of performance is more easily achieved. Only when performance is clearly defined and subsequently clearly measured can the results of a program be definitively stated.

The Importance of Training and Support

Another important factor not yet discussed in this paper, but of consequence to improving VR outcomes, is the importance of ongoing staff training and support. Regional Technical Assistance and Continuing Education (TACE) initiatives funded through the RSA provide technical assistance and continuing education activities to meet the training and organizational development needs of state VR agencies and their partners. Incorporating evidence-based supported employment practices within agencies will require increasing the knowledge and skills of job developers so that performance standards can be met through the creation of innovative methods for outreach to the business community. Likewise, state VR management and counselors will need training on performance based contracting, managing demand and utilization, and expectations of the provider community.

The Importance of Innovation

Each state has its own particular political, economic and structural environments that must be considered when new program development and funding practices are developed, and New York is not an exception to this rule. The fundamental principles of supported employment are sound, but New York also has a unique opportunity to improve supported employment outcomes despite current financial pressures, due to the work being conducted to increase employment outcomes for people with diverse disabilities through its Medicaid Infrastructure grant, New York Makes Work Pay (NYMWP). In particular, there are two relevant areas. First, New York State agencies are seeking ways to improve universal access to employment programs by implementing a cross-agency uniform employment program database system. This database system will allow job-seekers with disabilities to enter the system through any state agency door, including VR, as the determination of eligibil-

ity for any agency's services will be accomplished automatically and without redundancy. This may also lead to better definitions of outcomes and tracking of progress, as well as improved efficiencies and cost savings across agencies that otherwise may have provided duplicative services. Second, state agencies are discussing improving front door services by offering the CE based *Discovery* process as an alternative to traditional vocational assessments. The implementation of *Discovery* could lead to increased VR closures, because job-seekers will have a better basis for making informed choices to customize their job placement to meet their needs, as well as employers' needs so that better retention outcomes can be achieved.

Discussion and Recommendations

New York State has entered a critical juncture in its extraordinary history. The state has reached a point when governmental systems need to critically investigate new ways of operating. In particular, the New York State Office of Vocational and Educational Services for Individuals with Disabilities (VESID) (including CBVH) is facing fiscal challenges related to its provision of extended services to individuals exiting intensive supported employment programs. Moreover, the rates that New York State VR is able to pay for intensive services have likewise become inadequate to fully support the financial obligations of the provider community. As a result, and based on the research findings offered in this paper, the authors of this paper offer a series of recommendations to facilitate the reform of the supported employment system in New York State.

Recommendation I:

Convene a statewide group of stakeholders, including New York State VR staff, providers, advocates, academics, parents, and individuals with disabilities, and representatives from TACE and DBTAC (Disability and Business Technical Assistant Centers), to review the findings of this research and subsequently stated recommendations to develop a performance-based contracting system in New York State, and to commit to reviewing the structure of the system in the future.

One recurring theme in all of the research surrounding the topic of developing a quality performance-based contracting system is the need to build the system in a spirit of transparency and collaboration. Collaboration has been an essential component in the successful development of performance-based systems in other states, and any effort that does not truly foster this consensus will be met with considerable resistance from provider organizations throughout New York State.

Representation in this group will likewise be essential for success. As a result, we recommend that this group include representatives from New York State VR, the New York State Rehabilitation Association, the New York State Association for Persons in Supported Employment, the Interagency Council, the Learning Disabilities Association of New York State, the Independent Living Center, the Self-Advocacy Association of New York State, the

Cornell University Employment and Disability Institute and the Syracuse University Burton Blatt Institute that have implementation responsibility for the state's Medicaid Infrastructure Grant (MIG) with its focus on improving employment outcomes through evidence-based practices. Furthermore, this group should also include members of the Chapter 515 committee, including the Office of Mental Retardation and Developmental Disabilities, the Office of Mental Health, and the Commission for the Blind and Visually Handicapped (CBVH). Finally, this group should have representation from the Veterans Administration, the Department of Labor for its connection to the One-Stop system and Disability Program Navigators (DPN) as well as the Social Security Administration.

This group can be charged with ensuring the development of a performance-based contracting system in supported employment that will produce the triple win cited in the research. It will also be critical that this group, a sub-committee thereof, or the State Rehabilitation Council, remain involved in the evaluation and/or adaptation of the system in the future.

Recommendation II:

The new performance-based system must be structured to ensure that persons with the most significant disabilities are effectively served.

One of the primary fears that is consistently addressed in the literature regarding performance-based contracting is that of creaming. Many people fear that a system that requires providers to perform in order to sustain their program will directly exclude individuals with the most severe disabilities. Since individuals with the most severe disabilities are the very population that the vocational rehabilitation system is required to serve, this fear must be addressed. It can, however, be readily countered with a sound, outcome based, and transparent system. Two of the best methods to eliminate the possibility of creaming can be seen in the Oklahoma (see Table 2) and Pennsylvania (see Table 3) models. In Oklahoma, the solution for this issue was to manage the risk by creating tiers into which individuals are placed on the basis of the severity of their disability and/or other contributing factors. By creating tiers with more reimbursements to providers for serving more difficult clientele, Oklahoma has effectively incentivized serving the most challenging individuals. Pennsylvania has a different approach to the issue of creaming. In Pennsylvania each individual's contract value is individually negotiated with the service provider and the VR counselor. While the method is different from that used in Oklahoma, the result is the same; providers are financially rewarded for serving the most difficult-to-serve individuals. Therefore, it is strongly recommended that New York follow the examples developed in Oklahoma and/or Pennsylvania to ensure that this fear is properly addressed. Finally, this discussion should also include how CE *Discovery* as an alternative to traditional vocational assessment could be folded into the performance-based payment system.

Recommendation III:

The new performance-based system must be structured in a way to legally extend the impact of the financial resources available through the Rehabilitation Services Administration so as to maximize New York State's resources for extended services.

New York State VR has currently allocated \$10 million dollars to employment extended services. Current data has demonstrated that these funds are no longer adequate to support the demand. However, given the fiscal constraints of the New York State budget, this allocation cannot be increased to meet this demand. As a result, we recommend that the development of any performance-based system should maximize the use of federal funds to provide services through the first nine months of employment. In short, additional federal funds must be included in the total value of the performance-based contract to the provider to allow the provider to support the individual without utilizing New York State VR extended services funds. This allowance would effectively divert the initial cost of all extended services for individuals (through their first nine months of employment) who have been previously reimbursed with state dollars, to New York State's federal VR allocation, thereby saving the state's resources for individuals who need long-term extended services. This will immediately relieve pressure on the extended services allocation, and allow those state dollars to be used elsewhere in the VR system. However, if this system is adopted, the state would be placing a greater strain on federal vocational rehabilitation resources outlined in Title I of the Rehabilitation Act. Therefore, the costs and benefits of adopting a system of this nature should be discussed further within the stakeholder group.

Recommendation IV:

New York State VR, in connection with the Chapter 515 Committee, should formalize a nine-month post placement milestone to ensure successful follow-along, which would result in greater reimbursement to the state from the Social Security Administration.

New York State VR, via the Chapter 515 Committee, should work with OMRDD and OMH to formalize a milestone payment for supported employment to providers based on an individual's attainment of the nine-month goal. Collaboration between state agencies is needed, as data will need to be shared between New York State VR and the identified extended funding support to coordinate the payment of this nine month milestone. Other states such as Indiana have incorporated this model, and it has been shown to increase long-term retention for individuals accessing supported employment.

Recommendation V:

The new performance-based system must incorporate clear measurable quality indicators to guide providers in the provision of outcome based supported employment.

An additional concern with performance-based contracting is the potential for quality to be sacrificed for results. Similar to the fear of creaming, there is a real concern that consumers may be placed in jobs that are less desirable, or in positions that do not meet their

career goals, so that a provider can meet outcomes. Yet, just as with creaming, there are counter-measures that can be incorporated into the system to ensure that the quality of the service is an inherent component in meeting the outcomes.

Perhaps the best example of this is demonstrated in the Louisiana model (Table 5). In this model, providers are mandated to meet certain quality indicators before they receive reimbursement for a given milestone. For example, under Milestone II (job development and placement) the provider must ensure the following to obtain payment: that the job development activities reflect efforts to ensure a good job match; that a job match analysis and Natural Supports Training Plan (which is the vendor's plan for on-and-off site job supports and/or consultation to be provided) were completed before the job began and are based upon assessment results; and reflect the IPE goal; and that the consumer has completed the first day of work and reports satisfaction with the job to the vendor. The keys here are that the individual has received services as they were outlined in the plan, and that he/she is pleased with the job. It is these factors that ensure quality, and thereby prevent the payment of milestones for services that were not in line with the state goals of the individual.

Recommendation VI:

New York State VESID should formalize policies and procedures to assist providers in utilizing the Social Security Administration's Ticket to Work program so as to maximize New York State's resources for extended services.

New York State VR should take a leadership role in formalizing the process in New York State related to the Partnership Plus option under the Ticket to Work program. Overall, New York should facilitate the registration of all supported employment providers as Employment Networks under the Social Security Administration. In 2008, nearly 25% of individuals served through supported employment achieved SGA, and therefore qualify to utilize the Ticket to Work program as a supplemental source of funding extended supported employment services (RSA VR911 Data, 2008).

In this scenario, supported employment providers/employment networks would receive funding from the state agency for extended supported employment services (New York State VR, OMH, or OMRDD) and also potentially collect Phase 2 payments for up to the 11 or 18 months for each month that the participant reaches SGA-level earnings. These supplemental payments for achieving Phase 2 milestones would both make up for the inadequate reimbursement level of current funding and allow supported employment providers/employment networks to expand the services available through extended supported employment. This additional funding could help support expanded services that not only would increase job retention but also promote movement to self-sufficiency including decreasing the need of some individuals to remain on extended supported employment services (for more information, see MIG white paper on Ticket to Work).

Recommendation VII:

New York State VR should authorize the provision of comprehensive training for providers, VR staff, and other interested stakeholders on delivering quality services in a performance-based system.

Change, regardless of the potential positive benefits it will facilitate, comes with a certain level of anxiety. This anxiety can effectively be addressed by preparing those involved in the change to successfully navigate through the conversion. Therefore, it is recommended that New York State VR commission a professional training series on performance-based contracting, as well as implications for use of the “no wrong door” interagency data reporting systems and use of CE *Discovery* practices. These could be delivered via an existing training entity like TACE, or as part of the training provided through the state’s MIG. The trainings should be detailed and provide information to providers on developing budgets in a performance-based system, creating a culture of performance, human resource management in a performance environment, reporting progress and outcomes and maintaining quality in an environment of performance.

By instituting these changes, the supported employment contracting system in New York State would enter the third stage of Kettner and Martin’s evolutionary process (1998). Therefore, as providers make this transition, it will be essential to give them the necessary support to ensure the provider community remains strong and vibrant through the change.

Recommendation VIII:

New York State VR should establish rates that are based on historical data of cost per successful rehabilitation throughout New York State, and should adjust the total reimbursement of milestones upward to account for the inclusion of the first year of supports in the system.

While New York State is in the midst of a financial crisis, it should not utilize this crisis as a reason to further reduce rates to providers. The rates related to the current hourly fee-for-service model are inadequate. However, by translating these rates into a performance-based model, providers who perform well will have the opportunity to access resources that will enable them to enhance the overall quality of their services and thereby cover the costs associated with operating an effective program. In order to be successful, the provider community, when meeting the outcomes that are demanded of them, can meet the fiscal demands of operating the program.

Suggested Performance-Based Model

Table 6 outlines a proposed model that has been developed in context of the benefits and challenges that have been cited in the research related to performance-based contracting, and in relationship to the specific challenges within New York State. This is a proposed model, and should serve as a starting point for the reader, and the stakeholder group to

build on. Overall, this model offers two levels of funding, based on the severity of the individual's needs (Level 1 & Level 2). Both levels would maintain the same percentage paid for each benchmark, but the funds associated with Level 2 individuals should be 15-20% higher than their less intense counterparts to account for the increased cost associated with serving these individuals, and to risk-adjust the rate to avoid potential creaming in the system.

Table 6: Suggested Performance-Based Model:

Suggested Performance-Based Model		
Milestone	Payment Point	% of Payment
Milestone I:	Development of Person-Centered/ Customized Employment Plan including development of a Customized Employment Support Team	12%
Milestone II:	Job Development and Placement (3 Days of Employment)	17%
Milestone III:	1 Month of Employment	12%
Milestone IV:	3 Months of Employment	20%
Milestone V:	Stabilization	12%
Milestone VI:	Successful Rehabilitation	20%
Milestone VII:	9 Months of Employment	7%

Overall, the proposed model includes seven milestones. Quality indicators for each milestone (per recommendation IV) should be developed and agreed upon by the stakeholder group before the system is utilized. Assessment has been excluded from this model, as it is presumed that when necessary New York State VR will authorize the appropriate assessment via current UCS contracts including use of the Customized Employment 'Discovery' process as a more person-centered alternative to traditional assessment. Consequently, with the assessment completed, and/or equivalent knowledge of the individual's needs obtained by the provider, the process can begin the career development phase.

Milestone I of the system is the development of a Person-Centered Customized Employment. The emphasis here is placed on the term *person-centered*. During this phase a long-term plan for developing and/or revising the individual's career path should be created. Twelve percent (12%) of the contract would be reimbursed at this point of the process.

Milestone II would be awarded on the individual's third day of employment, again pending the verification that all quality indicators have been reached. Seventeen percent (17%) of the contract would be reimbursed at this milestone. Milestone III (an additional 12%) would be awarded at the one-month employment date, and Milestone IV (20% of the contract) would be awarded at the 90-day mark of employment. As a result, 61% of the contract would be awarded to the provider who assists individuals in reaching the critical three-month benchmark of employment.

The remaining benchmarks are then focused on longer-term critical outcomes. In Milestone V (12% of the contract) the provider will be reimbursed at the point of stabilization. The decision to move someone to the stabilization phase would be made jointly with the VRC and the provider before payment of this milestone would be authorized. Finally, Milestone VI (20% of the contract) would be reimbursed at the date of rehabilitation, and Milestone VII (accounting for 7% of the contract, and reimbursed by VESID, OMRDD, or OMH) would be paid out at the nine-month mark of employment.

These milestones have been developed so that the risk is shared between New York State VR and the provider community. In addition, as per recommendation III, the final milestones are designed to reward providers for reaching the critical VR milestone of status 26, and the nine-month mark of employment so as to provide the resources to extend services through the individual's one-year anniversary date of employment. After one year of employment, the individual's work performance, the availability of natural supports, the need for long-term support, and the lack of another extended funding source should be evaluated before New York State VR (as well as other extended services funding entities) is accessed for extended supports. In the event that extended services are necessary with these factors in place, the individual should then be available to be placed on New York State VR extended service roles and/or (per recommendation V) access extended services via SSA's Partnership Plus Ticket to Work program.

Overall, by developing a two-level system with clear quality indicators related to each milestone, and a system that effectively shares the risk between New York State VR and the provider community, this model would address the concerns of reduced quality of service and the potential for creaming. If these recommendations are followed, New York State VR will have taken the critical steps necessary to foster the development of a positive systemic change. Therefore, it is suggested that these recommendations serve as the evaluation criteria of this change process to ensure that a quality performance-based funding system is developed in New York State.

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Exhibit 1

The Association for Persons in Supported Employment (APSE) Supported Employment Quality Indicators

National APSE is the largest professional advocacy organization in the country representing supported employment (SE) and the individuals served in SE. Supported Employment has grown significantly in the past decade, involving approximately 150,000 individuals with disabilities.

This document represents an effort by national APSE to articulate quality indicators of individualized and integrated Supported Employment. These quality indicators were designed to complement *APSE's Ethical Guidelines for Professionals in Supported Employment*.

Given the fact that individuals with disabilities have the right to drive their employment process with maximum choice and control of services, this document begins with quality indicators for individuals in SE. Direct service practitioners are in a position to support individual plans for employment. The second section delineates values and competencies for direct SE practitioners. The final section specifies organizational characteristics that support quality services.

This document may have multiple uses, including as a guide for: 1) hiring and training employment personnel; 2) developing training curricula; 3) reviewing and evaluating programs; 4) appraising individual performance; and 5) action planning. Potential users of this document include people with disabilities and their families, advocacy groups, employment consultants, trainers, administrators/managers, human resource personnel, and state agency personnel.

Quality Indicators for Individuals in Supported Employment- Individual Choice and Control of Resources and Supports

According to the Rehabilitation Act, individuals have the right to exercise informed choice throughout the entire rehabilitation process. This includes obtaining information and the necessary supports to assist people to develop, monitor, implement, and evaluate their Individualized Plan for Employment (IPE) with assistance as needed and desired.

- Individuals explore career opportunities based on their interests, abilities, and needs via such experiences as vocational education classes, job shadowing, job try-outs, and actual employment.
- Individuals have ongoing opportunities to develop self-determination skills through active participation in information gathering, experiential learning, and decision-making.
- Individuals direct their transition plan and/or IPE to the maximum extent possible, with support as needed.
- Individuals control the resources, if desired, to purchase services and supports. Family members, personal advisors, and other trusted advocates assist individuals as needed.
- Individuals are assisted as needed to secure employment according to their individual desires, including the type of work environments, activities, hours, pay, supports, etc.
- Individuals participate maximally in interviews and in choosing training and support procedures typical to workplaces.
- Individuals have necessary and appropriate accommodations, assistive technology, and individualized supports within and outside of their job.
- Individuals are connected to desired adult services, including generic supports, in order to pursue desired lifestyles.
- Individuals pursue career advancement opportunities in order to develop skills, increase pay and responsibilities, or other desired outcomes.
- Individuals develop satisfying relationships within and outside of their job, as desired.
- Individuals are supported to participate in social activities within and outside of their job, as desired.
- Individuals are compensated commensurate with others in their position.
- Individuals have access to reliable transportation.
- Individuals are assisted to manage their finances (e.g., banking, budgeting, benefits) as needed and desired.
- Individuals of retirement age are supported to pursue a variety of employment and/or post-employment options.

Quality Indicators for Supported Employment Personnel

Providing quality supported employment services requires technical and interpersonal skills applied creatively and flexibly. Personnel in direct service roles must listen to and respect the desires of each individual they support, adhere to the norms of each workplace, and work closely with others involved in the person's life. Quality services and supports are dignified, holistic, age-appropriate, and status/image enhancing, with the goal of connecting each individual to the fabric of work, home, social, and recreational activities.

- School personnel involved in transition assist youth to explore career opportunities, develop work skills and behaviors, and develop self-determination skills through active participation in information gathering, experiential learning, and decision-making.
- Transition team members support students to direct their transition plans to the maximum extent possible, with support as needed.
- School and adult service personnel assist youth in transition to obtain desired adult services, including generic supports, after high school.
- Providers get to know job seekers via activities such as spending time together in multiple settings, observing the individual work, talking with others who know the person best, etc.
- Providers assist job seekers, including individuals with significant disabilities, to participate maximally in job development and employer contact activities according to their individual plan for employment.
- Providers rely heavily on personal networks and referrals for job leads.
- Providers assist individuals to negotiate individual job descriptions/position titles, hours, commensurate wages (paid directly from the employer), work tasks, work location, and necessary accommodations prior to beginning a job, with the goal of maximizing presence and participation in the work setting. Providers are knowledgeable about job carving and restructuring.
- Providers do not group people together for the convenience of support or job availability.
- Providers work in partnership with supported employees on the best employment training approaches to meet the person's needs, emphasizing typical workplace supports and the use of discreet, status enhancing teaching techniques.
- Providers work in partnership with supported employees and workplace personnel to develop assistive technology and individualized supports that are as typical to the workplace as possible and that maximize individual performance.
- Providers treat individuals in a manner appropriate to their age, gender, and culture, and in accordance with the norms of their job and the workplace.
- Providers assist individuals as needed to develop relationships within and outside of their job.
- Providers support individuals as needed to access social activities (e.g., parties, holiday functions) and employer-sponsored activities (e.g., sports, community service projects) within and outside of their job.
- Providers encourage typical probation and performance appraisal processes within each workplace.
- Providers assist individuals as needed to access reliable transportation.
- Providers assist individuals to manage their finances (e.g., banking, budgeting, benefits) as needed.

- Providers monitor individual job satisfaction and support people to pursue career development and advancement opportunities.
- Providers support people of retirement age to pursue activities according to their interests, including employment and integrated community activities for senior citizens.
- Providers assist individuals as needed to access housing, community connections (e.g., church/synagogue, YMCA, service/civic clubs), and other necessary services and supports, with an emphasis on generic services.
- Providers interface with family members and other service providers according to the method (e.g., telephone, meetings) and schedule (e.g., weekly, monthly) determined by the individual and team.
- Providers develop long-term, mutually beneficial partnerships with businesses that result in career exploration activities, quality jobs, marketing efforts, etc. on the part of businesses, and consultation, training, accommodation strategies, etc. from providers.
- Providers interface with businesses and the larger community through connections with chambers of commerce, service clubs, and other organizations.

Organizational Practices That Support Quality Services

Most personnel involved in supported employment are affiliated with a community rehabilitation program, mental health center, or supported employment organization. Unless such organizations are structured to provide integrated employment and related community services with a clear mission to do so, personnel in direct service roles will have difficulty providing quality services.

- The organization has established a clear vision and mission that promotes integrated employment, community inclusion, and zero exclusion.
- The organization works toward a flat organizational structure, with most personnel in direct service roles.
- The organization promotes stakeholder involvement in planning and decision-making through various informal and formal means.
- The organization supports staff to be involved in person-centered/person-directed planning that addresses individual interests, preferences, and support needs.
- The organization supports individualized jobs and related supports for all service recipients, including people with high support needs.
- The organization pursues flexible, individualized funding that allows sufficient support for individuals with high support needs.
- The organization has job descriptions that promote the focus on integrated employment and related community supports.
- The organization configures staff to provide holistic supports in a collaborative fashion (e.g., full service, self-directed teams), and supports reasonable staff-to-individual ratios.

- The organization has a staff recruitment and retention process that promotes hiring and keeping high quality personnel.
- The organization invests in staff development through extensive, ongoing training and support.
- The organization promotes a learning culture in which creativity, innovation, and risk taking are supported and where staff feel empowered.
- The organization operates with an action bias, focusing on continuous evaluation and improvement of outcomes.
- The organization collects and uses data on consumer outcomes, staff productivity, customer satisfaction, cost efficiency, and other process and outcome variables.
- The organization has a staff compensation and reward process that reinforces desired outcomes.
- The organization promotes leadership at all levels of the organization.
- The organization has developed marketing materials and approaches that coincide with common business practices and promote a positive and professional image.
- The organization has developed partnerships with the business community and other external entities in the community, state, and nation.

APSE views this material as a “living document,” open to continuous evaluation and improvement as the field progresses. APSE invites your feedback about how the document is being used and welcomes suggested changes.

These quality indicators have been developed through the efforts of several people who have volunteered, at various times, to be part of APSE's Quality Indicators Work Groups: Karen Flippo, Pat Keul, Tom Harrison, Debra Martin Petty, Brenda Harvey, Dale Dutton, Renee Drouet, Bob Niemiec, Rebecca McDonald, Sue Killam, Pat Rogan, Tammara Geary, Linda Quinn, Dale DiLeo, Rob Hoffman, and the New Jersey APSE Chapter. This final version was compiled by Pat Rogan.

© APSE, 1627 Monument Avenue, Richmond, Virginia 23220
phone: 804-278-9187 fax: 804-278-9377 e-mail: Tammara@apse.org

NOTES

www.NYMakesWorkPay.org

Contact Information

Employment and Disability Institute
ILR School / Cornell University
201 Dolgen Hall
Ithaca, New York 14853-3901
607.255.7727 (voice)
607.255.2891 (tty)
607.255.2763 (fax)
ilr_edi@cornell.edu
www.edi.cornell.edu

Partnering Organizations

New York State Office Of Mental Health
Employment and Disability Institute (Cornell University)
Burton Blatt Institute (Syracuse University)

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