

Braiding, Sequencing, and Blending Funding & Services to Advance Employment First

**AN UPDATE ON FEDERAL EFFORTS AND THE NATIONAL NEON
INITIATIVE**

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ODEP's mission is to develop and influence policies and practices that increase the number and quality of employment opportunities for people with disabilities.

What is the purpose of
blending, braiding, and
sequencing of resources?

Federal Joint Communication to State and Local Governments



- Released on August 3, 2022
- Signed by nine federal agencies
- Encourages state and local governments to utilize blending, braiding, and sequencing of resources to increase competitive integrated employment for individuals with disabilities
- Includes supplemental FAQ on blending, braiding, and sequencing
- Three webinars hosted by ODEP – links are available via today's handout



**FEDERAL JOINT COMMUNICATION TO STATE AND LOCAL GOVERNMENTS:
Resource Leveraging & Service Coordination to Increase Competitive
Integrated Employment for Individuals with Disabilities**

August 3, 2022

Dear Colleagues:



As part of our commitment to a diverse and inclusive workforce, the U.S. Departments of Labor, Education, Health and Human Services, and the Social Security Administration, as well as the undersigned subagencies below, are providing this joint communication to promote the leveraging and coordination of resources (e.g., funds, staff, equipment, services) by State and local government systems to increase competitive integrated employment (CIE) outcomes for individuals with disabilities. We recognize across agencies that we often serve job seekers with disabilities jointly. Our goal for each shared job seeker with a disability is for them to receive effective, efficient, and seamless government-funded services.



Our respective Federal departments and agencies are collectively encouraging State and local partners to proactively implement resource blending, braiding, and sequencing strategies, as appropriate, across systems to maximize resources while simultaneously tackling our shared goal of improving CIE outcomes for youth and adults with disabilities. Our purpose, through this joint communication, is to drive innovation and effectively disseminate best practices across systems that share a common goal, which is to increase CIE outcomes for job seekers with disabilities.



Through collaborative efforts, State and local entities providing employment support services can maximize employment, inclusion, and economic advancement outcomes for individuals with disabilities. This communication also highlights examples of resource leveraging through the blending, braiding, and sequencing, as allowable, of resources and service coordination strategies across Federally financed systems to improve employment outcomes.



What is blending, braiding, and sequencing of resources?

Multiple efforts at the local and State levels of government bring an unprecedented focus on the importance of resource leveraging and service coordination across various public systems to increase CIE outcomes for job seekers with disabilities. Numerous innovative strategies are available to maximize the efficient and effective use of Federal funds across systems for supporting individuals with disabilities to secure and maintain CIE. These strategies include, as appropriate, the blending, braiding, and sequencing of funding, resources, organizational functions, and services, often resulting in cross-system processes that are streamlined and more user-friendly for job seekers with disabilities and families.



Administration for Community Living

*Advancing independence, integration,
and inclusion throughout life*



CENTERS FOR MEDICARE & MEDICAID SERVICES



Substance Abuse and Mental Health
Services Administration

Other Federal Activities on Blending, Braiding, and Sequencing

- Funding crosswalk that helps states plan for cross-system coordination of funding
- Brief on Funding Customized Employment Services
- Brief on Cost Effectiveness of Individual Placement and Support (IPS) Services
- Value-Based Payment Methodologies Guide

Employment First Rate Restructuring

ALIGNING PAYMENT METHODOLOGIES, RATES AND BILLING RULES
WITH EMPLOYMENT FIRST OUTCOMES

The Majority and Minority Opinions

Too many still hold the belief that public programs *can't* do better in facilitating competitive integrated employment for individuals with disabilities *because there isn't enough money.*

Too few believe...



...by using the money we have more wisely.

The Reality

- ❖ Spending **more** doesn't guarantee better quality and outcomes; typically, neither does spending less.
- ❖ **HOW WE SPEND** can be just as important as the amount we spend...maybe even **MORE IMPORTANT**

The Opportunities

- ❖ If you want better outcomes and quality, it's a good idea to consider **changing HOW your state uses the money it has.**
- ❖ When the focus is put on increasing outcomes and quality, those who hold the purse strings may be more open to **INVESTING** more.
- ❖ Typically, if there is a need to invest more – the added investment is not nearly as much as people originally assumed.

Fee-for-Service

Proving harder to leave
behind than institutions!

Puts the emphasis on service delivery
rather than service outcomes.

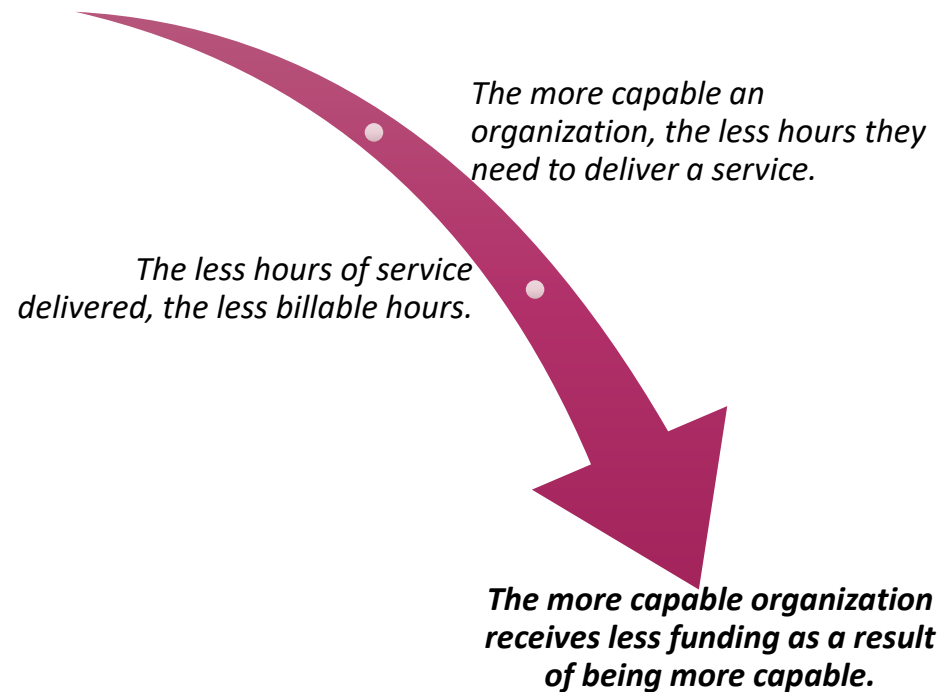
Fee-for-Service (continued)

Who's getting paid the most
in a fee-for-service system?

Is it the **top performing** providers
or the providers delivering
the greatest **volume** of services?

Why Fee for Service Creates Challenges for High Performing Employment Service Providers

The paradox when paying by hour of service.



Providers who do exemplary work earn no more than providers who do not do exemplary work.

In fact, they may earn less.

Flat Milestone Payments

Great early strategy to move beyond fee for service.

Inadvertently causes cherry-picking / creaming.

Does not adjust payment to reflect better quality outcomes.

Rate Restructuring to Get Better Quality and More Outcomes

❖ Moving beyond both traditional fee-for-service and flat milestone payments

Doing this in a way that ensures:

1. High performing providers prosper by providing CIE services; and
2. Funders can demonstrate cost-effectiveness

The Growth of “Rate Restructuring”

- Not just “raise the rates”
- Considers:
 - What is being purchased
 - The methodology to arrive at the payment
 - Financial incentives for increased quality
 - Service definition/billing rules that apply to the payment

Using Value-Based Purchasing or Alternative Payment Methods

Financial Incentives:

Not Dirty Words

- Money drives behavior regardless of whether money is scarce or plentiful.
- **There are financial incentives and disincentives in every rate and reimbursement structure that exists in programs serving people with disabilities.**
- The key question is whether those financial incentives and disincentives **align** with the opportunities and outcomes that are desired from the services being purchased.



Win-Win Outcomes Balance the Advantages

- Funders **and** providers naturally want the reimbursement methodologies and rate structures that are most advantageous to them.
- The model that is most advantageous for funders (pay little and get a lot) and the model most advantageous for providers (do less and get paid more) are rarely in alignment.
- Reimbursement models and rate structures that create positive change are those that ***balance advantages for funders and providers*** so both are willing to implement with fidelity to the intended outcomes.

4 Key Starting Points for Success

1. Being willing and able to recognize when **existing payment structures and incentives** do not contribute to the better outcomes desired...and may even undermine those better outcomes that are desired.
2. Setting aside the belief that “cheap” is “cost-effective”
3. Embracing the belief that penny-wise may often be pound-foolish
4. Rejecting the assumption that what our money can produce in terms of quality and outcomes is purely determined by ***how much money we have***, not by ***how we use the money***.

Higher Rates for Supported Employment Services than Alternative Services?

- ❖ Does not automatically mean Supported Employment **costs more**.
- ❖ Does not automatically mean Supported Employment **payment rates are adequate**.
- ❖ Does not automatically mean there is **an incentive for providers** to provide Supported Employment.

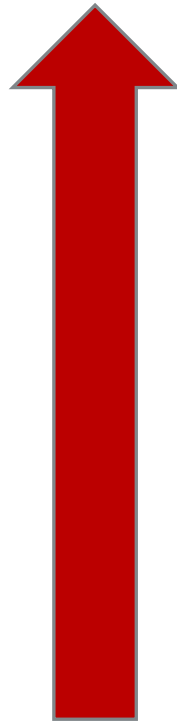
Interested in
Learning
More?

Value-Based Payment Methodologies to Advance
Competitive Integrated Employment:
A Mix of Inspiring Examples from Across the Country

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U.S. Department of Labor
Office of Disability Employment Policy

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Blending
Braiding
Sequencing

If we aren't focused on
EVOLVING,
we aren't doing our best

UNDERSTANDING THE DIFFERENCES AND THE OPPORTUNITIES

Definition of Sequencing

- **Sequencing** occurs when multiple funding streams separately and *sequentially* purchase and provide specific services that support an individual with a disability in pursuing, obtaining, or maintaining competitive integrated employment (CIE).



- Requires interagency coordination and collaboration to ensure **no gaps** in necessary services for individuals with disabilities pursuing and working in CIE.

Use MOU to define what each funder will provide to address payer of last resort

Sequencing Examples

Medicaid Waiver funds Career Exploration (if needed) and Discovery



VR-funds Benefits Analysis, Job Development Services and Job Coaching/Transportation to Stabilization



Medicaid Waiver funds long-term Job Coaching, Transportation or Travel Training

School provides early employment and career awareness for youth ages 12-13

VR PRE-ETS provides job exploration counseling for youth age 14 and workplace skills training for youth age 15

Workforce System (AJC) supports summer work experience for youth age 16

VR case opened for youth age 17 with goal of employment to start at graduation (age 18)

VR supports youth to reach stabilization on the job in employment post-graduation.

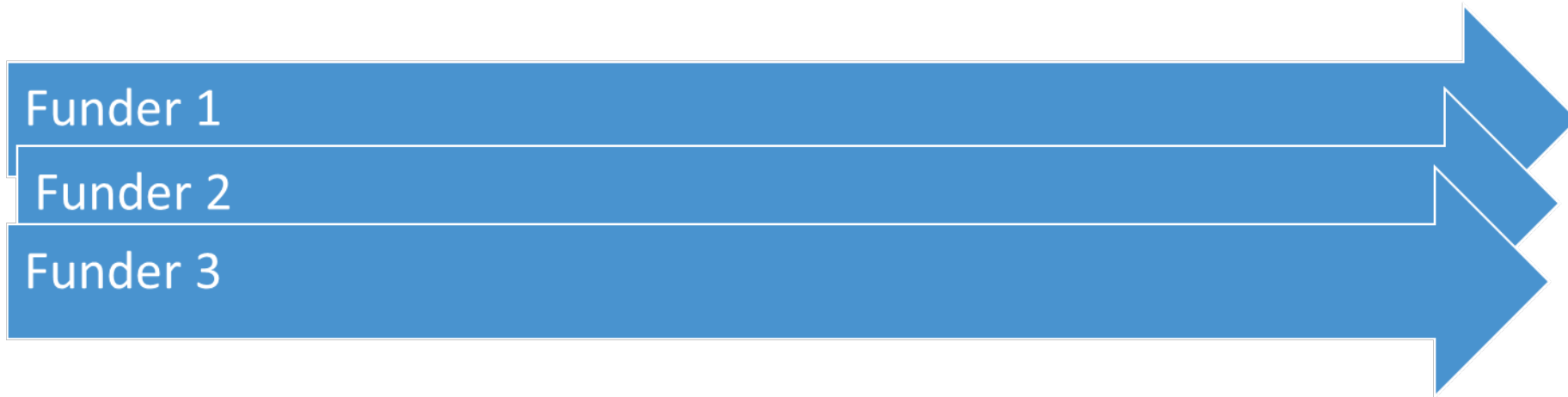
Medicaid Waiver provides long-term supports to maintain employment post-VR stabilization

Sequencing Lays Foundation for Stronger Methods

- Sequencing has proven to be *an important, formative practice* for funding sources seeking to coordinate resources and share responsibility/credit for individuals with disabilities achieving CIE.
- Experience indicates there are *better methods beyond sequencing*:
 - Offer better opportunities for collaborating funding sources to provide *more effective services*, ensure *continuity* in service delivery, and *increase successful outcomes*.
 - Provide *more holistic* supports of *sufficient intensity* for individuals with the most significant disabilities to succeed in CIE.
- **People with disabilities can advance toward and achieve CIE more quickly if they can receive needed services simultaneously.**

Definition of Braiding

- **Braiding** occurs when multiple funding streams, separately and *simultaneously*, purchase and provide specific services that support an individual with a disability in pursuing, obtaining or maintaining CIE.



- Requires interagency coordination and collaboration with goal to deliver **more effective** - **and when necessary, more robust** - supports for individuals with disabilities pursuing and working in CIE

Braiding Requires Enhanced Collaboration and Generates **Better Outcomes at Less Cost for Each Funder**

- Braiding requires teamwork and communication –
 - Not just at hand-offs, which is typically the case with *sequencing*.
 - Coordination of services must ensure **non-duplication**.
 - Each funder's plan for services must reflect the other funders' services to create **a holistic plan for the common customer** to achieve desired outcome(s).
- Braiding brings higher likelihood of successful outcomes at lower cost
 - Emphasis on **cost-sharing** rather than *cost-shifting*.
 - Focus on **division of payment responsibility** - defining what each funder can provide in the short and long-term.
 - **When multiple funders can pay for the same thing, clear agreement on who will pay when.**

Define in MOU to address payer of last resort

Braiding Examples

Medicaid-funded Prevocational Services

AND

VR-funded Job Development Services

Both can be authorized simultaneously because they are not duplicative

Physical or virtual face to face service delivery cannot happen during same 15 minute unit of time.

Workforce provides training services

VR provides job development and assistive/virtual support technology during training and job development activities

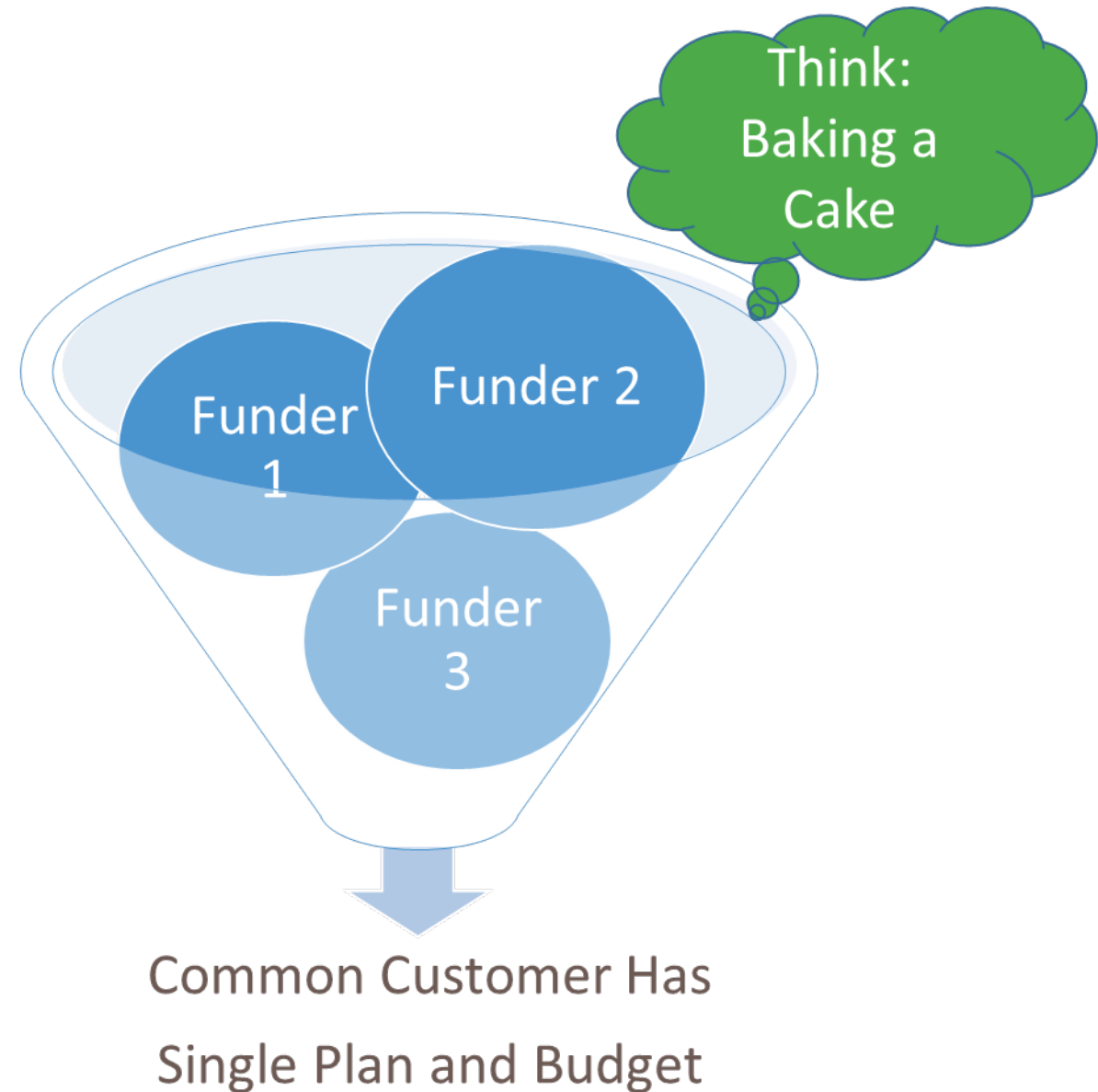
Medicaid provides transportation to/from training and job development activities

All services can be authorized simultaneously because they are not duplicative

Physical or virtual face to face service delivery cannot happen during same 15 minute unit of time.

Definition of Blending

- **Blending** occurs when *dollars from multiple funding streams* are combined to *create a single “pot” of dollars* that is used to purchase services enabling an individual with a disability to pursue, obtain, and maintain CIE.
 - The simplest, most seamless way to cost-share around a common customer.
 - Results in mixing funds from multiple sources in way that funding from each program loses its program-specific identity.
 - Typically requires explicit authorization by statute or regulation to allow the blending of funds.



Blending Examples at System Level

- Blending examples that are approved –
 - *State general fund dollars* in one state agency's budget is transferred to a second agency's budget *using inter-agency transfer* to maximize the second agency's federal match and increase the second agency's capacity to provide their services to the first agency's population.
 - Ticket to Work outcome and milestone *net* payments earned by an agency are combined with the agency's typical funding sources to 'pool' available resources for purchase or provision of enhanced services to individual served.

Keys to Success:

Putting the People You Serve First

1. Recognition of joint responsibility

If we don't do this together, we may end up having to do it all ourselves for the people we serve.

2. Willingness to cost share for benefit of individuals served

Instead of trying to avoid spending altogether, we will cost share to get the most return on our investment.

3. Recognition of importance of MOU/Inter-Agency Agreement

Documenting agreement on respective roles in serving “common customers”, including respective payment responsibilities, is key to addressing both parties’ “payer of last resort” obligations.

4. Commitment to jointly and publicly promoting the agreement

Training and tools for field staff to implement the agreement is critical, as is ongoing support of field staff and monitoring of success through data collection and sharing

National Expansion of Employment Opportunities Network

In FY2020, ODEP launched the **National Expansion of Employment Opportunities Network (NEON)**, an initiative for five intermediary provider organizations to help them develop national and provider-level transformation plans.

National Expansion of Employment Opportunities Network - **Objective**

NEON partners with national disability service provider organizations, state intermediary organizations and core state agencies to meet their needs in the field and to offer the best employment options for all individuals with disabilities, including those with the most significant disabilities.

How to Find Support National Provider Organizations (NPOs)

NEON selected five National Provider Organizations (NPOs) to work with ODEP as part of a provider organization network. The five NPOs are:

- **ACCSES**
- **ANCOR**
- **APSE***
- **SourceAmerica**
- **The Arc US**

How to Find Support

NEON Core States

NEON Core States receive between 100 – 300 hours of hands-on Subject Matter Expert support in order to accomplish multiple goals that support the expansion of CIE:

- **California**
- **Colorado**
- **District of Columbia**
- **Delaware**
- **Hawaii**
- **Kansas**
- **Kentucky**
- **Missouri**
- **New York**
- **Rhode Island**
- **Tennessee**

How to Find Support

Contact Today's Presenters



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