



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration on Developmental Disabilities

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INFORMATION MEMORANDUM

MEMORANDUM TO: Directors, State Administering Agencies, Chairpersons, State Planning Councils, Executive Directors, State Planning Councils Directors, University Affiliated Facilities and Satellite Centers

SUBJECT : Activities Which Support Employment of Individuals Who Are Developmentally Disabled

CONTENT : The Administration on Developmental Disabilities is forwarding the attached information papers to support your individual efforts to promote the employment of individuals who are developmentally disabled. These papers reflect a growing level of activity relating to the Employment Initiative and services to persons who are developmentally disabled.

This information was presented at the Interagency Committee on Developmental Disabilities on March 27, 1986. This information includes projects from the Social Security Administration/HHS; Employment and Training Administration/DOL; Office of Social Services Policy/Assistant Secretary for Planning and Evaluation/HHS; and Health Care Financing Administration.

ATTACHMENT : Informational Papers

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INQUIRIES TO : Raymond Sanchez  
Director, Employment Initiative Staff  
Administration on Developmental Disabilities  
(202) 245-2888



Jean K. Elder, Ph.D.  
Commissioner  
Administration on Developmental  
Disabilities

COPY TO: Regional Administrators, HDS Regions III, VI, VII, IX

Informational Papers on  
Activities Which Support  
Employment of Individuals  
Who Are Developmentally Disabled

Presented:  
Interagency Committee  
on Developmental Disabilities  
March 27, 1986

Social Security Administration

Office of Disability

FY 1986 Priorities for Services to Persons

With Developmental Disabilities

1. Medical Benefit Protection Demonstration Project

In FY 1986, the Social Security Administration and Health Care Financing Administration, in conjunction with the Office of the Assistant Secretary of Special Education and Rehabilitative Services in the Department of Education, will develop a Medical Benefit Protection Demonstration Project for Social Security disability insurance (SSDI) beneficiaries. This project will be designed and conducted with several major American corporations and will demonstrate the employment incentive effects of primary employer health benefit coverage and continuing secondary Medicare insurance coverage for groups of SSDI beneficiaries who now receive Medicare benefits. A special focus of the project is medical benefit protection and employment for the developmentally disabled to demonstrate the effectiveness of providing job opportunities and medical benefit protection in assisting this group to return to work and leave the SSDI rolls.

2. Employer Based Initiative (EBI) Grants

In September 1985, SSA awarded 15 grants to public and private rehabilitation organizations throughout the country to demonstrate innovative approaches to encourage SSDI beneficiaries to return to employment. Most of these projects will provide services to SSDI beneficiaries having a variety of different impairments. However, several projects will focus on persons with developmental disabilities.

- o City of Lawrence, Massachusetts  
Department of Training and Manpower Development

The City of Lawrence will use its Job Training Partnership Act program in conjunction with organizations serving the disabled, to demonstrate effective vocational rehabilitation and employment services for SSDI beneficiaries. Several of the major organizations providing SSDI beneficiaries for the project serve the mentally retarded and developmentally disabled: Greater Lawrence Educational Collaborative; Greater Lowell Educational Collaborative; and Citizens League for Adult Special Services.

o Elwyn Institutes, Media, Pennsylvania

Elwyn Institutes provides rehabilitation services to persons with mental retardation, severe learning disabilities, and other types of developmental disabilities. In the SSDI demonstration project, Elwyn Institutes will develop, test, and evaluate an integrated model designed to place SSDI developmentally disabled beneficiaries into employment. Our model involves client referral, evaluation, job counseling, placement, and post-placement service components.

o Baltimore Goodwill Industries, Baltimore, MD

Baltimore Goodwill Industries serves persons with developmental disabilities primarily the mentally retarded. In the SSDI demonstration project, they will provide a comprehensive service package to SSDI beneficiaries including vocational evaluation, behavioral adjustment, vocational skills training, supportive services and job placement assistance.

3. SSA Transitional Employment Training Demonstration for Supplemental Security Income (SSI) Recipients

The Social Security Administration is conducting a demonstration to test whether transitional-employment training is a cost-effective approach for assisting mentally retarded SSI recipients to obtain and keep competitive jobs in the private sector. Training will take place in a nonsheltered environment with nondisabled co-workers, usually in private sector business firms. Training will be conducted up to one year followed by job placement. Eight non-profit organizations are providing training and job placement services:

AHEDD, Inc., Lemoyne, PA  
 Association for Retarded Citizens, Monmouth NJ  
 Goodwill Industries, Milwaukee Area, Inc., Milwaukee, WI  
 The Center for Rehabilitation and Training of the Disabled, Chicago, IL  
 University of Washington, Seattle, WA  
 Children's Hospital, Boston, MA  
 Exceptional Children's Foundation, Los Angeles, CA  
 University of Wisconsin-Stout, Menomonie, WI

Authorized under the 1980 Disability Amendments, this demonstration project is being partially funded by the Office of Special Education and Rehabilitative Services in the Department of Education.

The project is being evaluated by an objective private contractor using an experimental/control group design and multi-year follow-up approach.

#### 4. Focus Group Interview Project

SSA is conducting focus group interviews with beneficiaries to examine their understanding and use of existing work incentives and make recommendations related to improved communication with beneficiaries. As a part of this project we will include a focus group of parents of developmentally disabled beneficiaries as recommended by the Office of Special Education and Rehabilitative Services, Department of Education.

SERVICE TO THE HANDICAPPED  
EMPLOYMENT AND TRAINING ADMINISTRATION  
U.S. DEPARTMENT OF LABOR

**JOB TRAINING PARTNERSHIP ACT (JTPA)**

- Title II A authorizes local training and employment programs for economically disadvantaged youth and adults through block grants to States.
  - Various provisions and interpretations are designed to assist the handicapped:
    1. Law defines a handicapped individual as any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.
    2. Law provides that up to 10 percent of the participants in a Service Delivery Area (SDA) may be individuals not economically disadvantaged if such individuals has "encountered barriers to employment". Such individuals include the handicapped.
    3. The Department of Labor informed the Governors (July 1983) that handicapped youths may be considered "a family of one" in terms of income-eligibility for JTPA Services. This means that handicapped youths may qualify for services limited to economically disadvantaged persons even though total family income is above the qualifying line.
- The Following table presents the latest available data on services to the handicapped under Title II-A of JTPA. (JTPA allocations and program data are based on Program (rather than fiscal) Years covering periods from July 1 through June 30).

HANDICAPPED, TITLE IIA  
[Percent Distribution]

<u>Selected Characteristics</u>	<u>Transition Year Oct. 1983-June 1984</u>	<u>Program Year 1984 July 1984-June 1985</u>
<u>Total Enrollees</u>	<u>44,900</u>	<u>65,300</u>
<u>Sex</u>		
Male	61%	62%
Female	39	38
<u>Minority Status</u>		
White (excluding Hispanic)	71	77
Black (excluding Hispanic)	21	16
Hispanic	5	5
Other	3	2
<u>Age at Enrollment</u>		
Youth (under 22)	42	47
Adults (over 21)	58	54
<u>Economically Disadvantaged</u>	90	91
<u>Receiving AFDC at Application</u>	10	10
<u>Receiving Public Assistance (Including AFDC) at Application</u>	32	31
<u>Unemployment Compensation Claimant</u>	7	6
<u>Education Status</u>		
School dropout	19	18
Student (High school or less)	23	30
High school graduate (or more)	57	52
<u>Barriers to Employment</u>		
Limited English	2	3
Handicapped	100	100
Offender	10	10
Displaced Homemaker	3	3
<u>Initial Program Assignment</u>		
Classroom Training	36	35
On-the-Job Training	19	17
Job Search Assistance	21	20
Work Experience	12	13
Other Services	12	15
<u>Total Terminees</u>	<u>25,800</u>	<u>50,000</u>
<u>Entered Employment Rate</u>	64	57
<u>Average Hourly Wage</u>	\$4.20	\$4.43

SOURCE: Job Training Longitudinal Survey



### JTPA TITLE III

JTPA Title III provides training and other services to workers who have been dislocated at the work place (plant closing or mass layoffs). Program Year (PY) 1984 data show the following concerning handicapped participants:

- 3,500 Enrollees
- 30 percent Minorities
- 2,900 Terminees
- 1,900 Entered employment (65.5 percent)
- \$5.54 Average wage at termination
- 16.2 Weeks - Median length of stay in the program

There were 74,800 enrollees overall in Title III programs for PY 1984. Overall, 70% entered employment at an average wage of \$6.15. Thus, the entered employment rate for handicapped participants compares quite favorably.

Note: Caution is advised concerning the reliability of Title III data because of the limited sample size of a number of the variables.

SOURCE: Job Training Longitudinal Survey.

#### JTPA TITLE IV NATIONAL PROGRAMS

The Employment and Training Administration (ETA) also currently funds eight national level programs which provide training and job placement specifically for handicapped persons. Through these programs, over 4,000 handicapped individuals are served each year. Approximately \$4.1 million are currently allocated for the handicapped through these programs.

Following is a brief description and the PY 1985 funding level for each of the organizations involved.

<u>Organization</u>	<u>PY 1985 Funding</u> July 1, 1985 - June 30, 1986
Association for Retarded Citizens (ARC)	\$1,160,000

The Association for Retarded Citizens (ARC) has been funded nationally to provide on-the-job training programs for mentally retarded persons since 1967. ARC, through its eleven field offices, operates programs in all 50 States. Under its national program, funds are used to promote and develop subgrants with private and public employers to train retarded persons on the job in a variety of occupations. ARC has placed approximately 36,000 retarded individuals since its initial funding.

<u>Organization</u>	<u>PY 85 Funding</u>
Epilepsy Foundation of America (EFA)	\$695,000

The Epilepsy Foundation has been funded by ETA since 1976 to conduct a national comprehensive program of training and employment services tailored to the special needs of individuals with epilepsy. ETA has placed over 5500 disabled persons in jobs since its initial funding by ETA.

Electronic Industry Foundation (EIF)	\$289,000
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The Electronic Industry Foundation (EIF) has been funded since 1978 to conduct an outreach, training and job placement program to foster new employment opportunities for handicapped persons, especially in the electronic industry and other high technology firms. EIF has placed over 3100 disabled persons in occupations ranging from electronic assemblers to engineering managers.

National Association of  
Rehabilitation Facilities (NARF) \$300,000

The National Association of Rehabilitation Facilities has been funded nationally since 1967 to provide on-the-job training for handicapped persons in rehabilitation and other health facilities. NARF has provided training and job placement for over 4000 handicapped individuals.

National Federation of the Blind (NFB)	\$244,000
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The National Federation of the Blind has been funded nationally since 1979 to provide placement of blind participants in competitive, unsubsidized employment, primarily by matching the qualifications of blind persons with the needs of employers through a volunteer network in 50 States. NFB has provided placement for over 600 blind individuals.

Goodwill Industries 512,000

Goodwill Industries has been funded nationally since 1977 to provide multi-occupational in-house training and job placement to physically and emotionally disabled, mentally retarded, deaf, blind and other handicapped persons. Goodwill has trained and placed in unsubsidized employment over 6000 handicapped persons.

Mainstream, Inc.	\$350,000
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Mainstream, Inc., was funded as a national contract from 1975 through 1983 to provide employers with information concerning the special problems of the handicapped in employment. In 1983 Mainstream was funded to operate, on an experimental basis, a job bank for handicapped individuals in Dallas and Washington, DC. Since 1983 Mainstream has placed over 800 handicapped individuals in employment.

Chavez and Associates Institute	\$500,000
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Chavez and Associates Institute has been funded nationally since 1984 to train handicapped persons in computer services, word processing, private investigation and business/financial occupations, and to provide job placement services. To date over 300 handicapped individuals have been trained and 220 have been placed in employment.

## THE EMPLOYMENT SERVICE

The Employment Service has a long and continuing history of providing counseling, training, job referral and related services for handicapped individuals.

Through the third quarter of PY 1984, the Employment Service had received 395,000 new and renewal applications for work from handicapped individuals. Over 90,000 were placed in jobs, 7,400 were enrolled in training and 14,000 obtained employment.

ES provided a variety of services to handicapped individuals:

- ° 69,000 job development contacts with 13,400 placements resulting
- ° 63,000 individuals counseled
- ° 37,000 TJTC eligibility determinations 1/
- ° 89,000 referrals to supportive services
- ° 217,000 received some service

Handicapped applicants were placed in jobs at an average wage of \$4.57 per hour compared to the average for all applicants of \$4.42 per hour. About 24,000 were minority applicants, 22,000 were female, 17,600 were UI Claimants and 3,800 were dislocated workers. Services provided disabled veterans (22,000 placed) are not included in the above figures.

1/ TJTC refers to the Targeted Job Tax Credit which expired December 31, 1985. Under this legislation employers could claim a tax credit for certain hires, including handicapped persons who met other eligibility requirements. The Employment Services handled eligibility determinations for TJTC.

Office of Social Services Policy  
Department of Health and Human Services

Cross-Cutting Aging and Disability Synthesis

FY 1986 \$100 (Evaluation)

Each of the major operating divisions within the Department as well as Labor, HUD and Education engage in program development, research and evaluation intended to promote the economic and physical self-sufficiency of aged and disabled populations. This project provides the capacity, on a short term basis, to synthesize and assess what is know about cross-cutting aging and disability issues and how information can be applied to particular policy development activities.

Approaches to Coordinating Health, Habilitation, Vocational and Employment Services for the Mentally Retarded

FY 1986 \$110 (Policy Research)

The purpose of this study is to examine Federal, State and local policies and practices which support or impede the coordination and delivery of a broad spectrum of adult services including vocational and pre-vocational assistance. This study will identify successful State practices which capitalize on the flexibility of the current reimbursement system and to share these practices with other States; and to identify the legislative, regulatory and administrative barriers at all levels of government which impede coordinated service delivery as well as the approaches employed in overcoming these barriers.

### Recent HCFA Activities

- o HCFA has drafted proposed new ICF/MR regulations to clarify and update the standards that ICFs/MR must meet in order to participate in the Medicaid program. These draft regulations are designed to focus on the provision of active treatment to clients, provide better methods for assessing quality of care and maintain essential client protections. The proposed regulations also take into account the decrease in the average size of institutions and the changes necessitated by litigation, legislation, research and technological advances that influence the way clients are identified, assessed and provided services.
- o HCFA has issued "look behind" procedures and has required its Regional Offices to conduct "look behind" surveys of at least five percent of its certified Medicaid ICFs/MR. While it is the State's responsibility to survey facilities for compliance with certification requirements, the Secretary, DHHS has the authority to make independent determinations of compliance, called "look behind" surveys for ICFs/MR. Each Regional Office has at least one developmental disabilities specialist designated to participate in this effort. In FY 1985 HCFA performed 464 "look-behind" surveys. For FY 1986 725 total surveys are planned.
- o HCFA has prepared an instruction on the educational services exclusion in ICFs/MR (42 CFD 441.13(b)). This instruction explains the distinction between educational services and covered intermediate care facilities services for the mentally retarded and the manner in which the prohibition against Federal Medicare payment for educational services should be applied in the ICF/MR setting. HCFA has also met with the Technical Advisory Group (TAG) of State Medicaid Directors to discuss a similar draft of an instruction on vocational training.
- o On September 30, 1983, HCFA's Office of Research and Demonstrations began a 3-year project to assess the changes made in the Medicaid program as a result of recent legislation. The Home and Community-Based Waiver program evaluation is a part of this effort. Preliminary findings (as of June 1, 1984) indicate:
  - Approximately 53,000 people had been provided services under a home and community-based waiver and approximately 17,000 of these were MR/DD.
  - There is a larger penetration rate into the ICF/MR population (about 11.3 percent) than into the Medicaid institutionalized long term care aged population (about 2.5 percent).

- o HCFA has carried on continuing audit and oversight activities through its Regional Offices, of State claims for services in intermediate services care facilities for the mentally retarded.
- o HCFA has funded the Bruinick Study, "Long Term Care Residential Services for the Developmentally Disabled," at the University of Minnesota. This project updated national information on long term care services for the mentally retarded/developmentally disabled (MR/DD) group. Data were gathered on characteristics of residents and facilities including ICFs/MR and used to track the effects of recent State de-institutionalization policies.
- o HCFA has undertaken a "Comparative Analysis of Medicaid Utilization and Expenditures for Recipients of ICF/MR Services in Three States." Using the 1982 Uniform Medicaid Tape-to-Tape Data Base for three States -- California, Michigan, and Georgia -- this study will examine data on the sociodemographic characteristics of the ICF/MR population; the utilization and cost of ICF/MR services; public and private expenditures for ICF/MR care; the utilization and cost of acute care services by ICF/MR residents; and resident movement within the ICF/MR program.
- o HCFA and NCHSR are currently designing the "National Medical Expenditures Survey" (NMES), which will collect data during 1987 on health utilization and expenditures for persons living in households, nursing homes, facilities for the mentally retarded, and psychiatric hospitals. The nursing home and mentally retarded facilities components include both facilities certified for Medicare and Medicaid and facilities which are not certified. In preparation for NMES, the Bureau of the Census will conduct a mail census of all nursing homes and facilities for the mentally retarded in early 1986. The results of this mail census, known as the Inventory of Long-Term Care Places, will be used as a sampling frame for NMES.

## WORK INCENTIVES FOR THE DEVELOPMENTALLY DISABLED UNDER MEDICARE AND MEDICAID

The Medicare and Medicaid programs are designed to provide medical and remedial services to persons who qualify for benefits on the basis of age or disability and certain other criteria. Under both programs, the definition of "disability" is closely tied to the concept of a beneficiary's inability to work. However, both Medicare and Medicaid contain incentives for beneficiaries to earn their way to self-sufficiency with reduced fear of losing needed medical benefits.

### The Medicare program offers:

- o A 15-month extension of Medicare benefits (following a nine months period of trial work) to those who lose eligibility for Social Security benefits because they are employed.
- o Elimination of a second Medicare waiting period when individuals become re-entitled to disability benefits. This allows those who become disabled a second time to resume Medicare benefits during the same month as they begin to receive Social Security benefits. If the individual had not previously completed a 24-month qualifying period, the earlier months of entitlement can be counted in determining when Medicare begins.
- o Various demonstrations exist (within SSA) to test promising but as yet untried work incentives for the disabled.

### The Medicaid program:

- o Medicaid can be continued during a trial work period during which a disabled individual may test his ability to work. The period extends for up to nine months.
- o In addition, under the demonstration authority of Section 1619(b) of the Social Security Act, individuals can continue to be eligible for Medicaid even if their earnings are too great to constitute "disability" under the normal program. This special eligibility for Medicaid benefits continues so long as the individual: (1) continues to...have a disabling impairment; (2) except for earnings, continues to meet all other requirements for SSI eligibility; (3) would be seriously inhibited from continuing to work by the termination of Medicaid eligibility; and (4) has earnings that are not sufficient to provide a reasonable equivalent of the benefits.
- o States have the option to offer AFDC recipients the opportunity to participate in a work program where the State supplements participants' wages. Participants who would be eligible for AFDC if their wages were not supplemented may continue to receive Medicaid benefits.
- o As a work incentive, Medicaid recipients who return to work are entitled to disregard income spent on work expenses (up to \$75 per month) and child care expenses (up to \$160 per child per month) for purposes of determining eligibility. After disregarding work expenses, \$30 plus 1/3 of the remaining income may be disregarded from income to extend Medicaid eligibility for up to 4 months.



## MEDICAID SERVICES AVAILABLE TO THE DEVELOPMENTALLY DISABLED

Individuals who are eligible to receive Medicaid benefits on the basis of disability, are entitled to receive the full range of services available under their State Medicaid program. States must cover certain mandatory services for the categorically needy (basically AFDC and SSI recipients). States may also cover a broad array of benefits for individuals whose incomes are above cash assistance levels, who require help in paying for medical care (the "medically needy"). States also have the ability to provide a wide range of optional services.

- o States must offer the following mandatory services to all categorically needy recipients: inpatient hospital services, outpatient hospital services, rural health clinic services, other laboratory and radiology services, skilled nursing facility services and home health services for individuals aged 21 and over, early and periodic screening, diagnosis, and treatment for children, family planning services and supplies, nurse-midwife services (if midwives are licensed in the State), and physician services.
- o States may also provide additional services specified in the Federal regulations. The most popular of these include: clinic services, prescription drugs, intermediate care facilities (including intermediate care facilities for the mentally retarded). The other optional services are those of podiatrists, optometrists, chiropractors, other practitioners as licensed under State law, private duty nursing, dental services, physical therapy, occupational therapy, speech/hearing/language disorders, dentures, prosthetic devices, eyeglasses, diagnostic service, screening services, preventive services, rehabilitative services, services for the aged in mental institutions, inpatient psychiatric services for those under age 22, skilled nursing facility services for the aged or those under 21, Christian Science nurses, Christian Science sanatoria, emergency hospital services and personal care services. (A chart summarizing coverage of services by State, is attached.)
- o In general, all services must be offered Statewide. States must provide the same amount, duration and scope of services to all categorically needy beneficiaries.
- o Through a special waiver option, States can also provide a broad array of home and community-based services that an individual may need to avoid institutionalization in a nursing home or ICF/MR. The services may include case management, homemaker, home health aide, personal care, adult day health, habilitation and respite care and other services if they are cost effective. Under a waiver, States may target certain groups (e.g., the mentally retarded/developmentally disabled) to receive such services. Further, services need not be provided on a state-wide basis. Of the 104 approved home and community-based care waivers, 40 active waivers are targetted to the MR/DD population in 36 States.
- o States may request a model waiver, in addition to or in lieu of a regular home and community-based waiver, to cover up to 50 cases of blind and/or disabled children and adults who would otherwise need institutional care in a nursing home or ICF/MR and would meet eligibility requirements if institutionalized but would be ineligible for Medicaid while living at home (where their parents income can be deemed available for their use).

### Basic Required Medicaid Services

Medical requests requiring federally designated personnel assistance shall return to local health services

- 1. Diagnostic/therapeutic services
- 2. Outpatient hospital services
- 3. Rural health clinic services
- 4. Out-patient laboratory and X-ray services

- Skilled nursing facility services and home health services for individuals 21 and older
- Early and periodic screening, diagnosis, and treatment for individuals under 21
- Family planning
- Physician services

Federal financial participation is also available to States wishing to expand their Medicaid Programs by covering additional services and/or by including people eligible for medical but not for financial assistance. For the latter group, States may offer the services required for financial assistance recipients or only

Differences and variations in eligibility and services vary from State to State. Contact is available from local welfare offices and State Medicaid agencies.

Services provided only under the Medicare Day-in at the Secondary and Tertiary program for individuals under 20 yrs and above on this chart.

[illegible]

\*Federal Medical Assistance Percentage (FMAP) Rate of Federal financial participation in a State's Medical Assistance Program under Title XIX of the Social Security Act. Percentages are rounded and effective as of October 1, 1994.

• **Eligibility:** Healthy People receiving federally sponsored financial assistance  
 • **Eligibility:** Healthy People who are eligible for medical assistance for financial assistance  
 • **Assurance:** A medical assistance program under a Section 2116 Demonstration program

\*Report of candies not received from these states.

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