

# IPS Supported Employment Funding in the United States



The U.S. lacks a single payer for evidence-based supported employment, also known as Individual Placement and Support (IPS). Most programs use **braided funding** from two or three sources.

## Main Sources of Funding

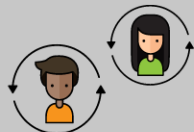
### State Vocational Rehabilitation

Most IPS programs apply to become vendors (sometimes referred to as community rehabilitation providers) for State Vocational Rehabilitation (VR). Vendors are authorized to provide services on a case-by-case basis and receive payments for employment outcomes or milestones achieved by individuals.

#### Milestones



Job Starts



Employment Retention

In some states, administrators at Vocational Rehabilitation contract annually with provider agencies to provide employment services instead of paying for milestones.

### Medicaid

In some states, IPS practitioners bill Medicaid for medically necessary services that occur within the context of employment. Medical necessity has a specific meaning defined in each state's Medicaid plan.

In many states, it is not possible to bill for taking someone to a job interview (not medically necessary), but it may be possible to bill for helping someone manage symptoms while interviewing for a job (can be explained as medically necessary).

Some state Medicaid plans specifically include IPS supported employment, which simplifies the documentation process for practitioners.

### State departments of mental health

Many state departments of mental health set aside funds to support IPS services.



These may be longstanding contractual arrangements or they may be specific initiatives.

For example, one state that shut down long-term hospitals diverted some of the savings to IPS programs.



## Other Sources of Funding

### Grants

Additionally, several funding streams specifically target young adult services above and beyond what is available for adults.

### County Mental Health Boards

### Social Security's Ticket to Work Program



Recent legislation has earmarked federal funds for transition-age youth. Specifically, in 2015 Congress authorized a 10 percent set-aside in the Community Mental Health Services Block Grant for young adults experiencing early psychosis. The Workforce Investment and Opportunity Act of 2014 directs state vocational rehabilitation agencies to prioritize a significant portion of the federal funds to services for transition-age youth.

Agency administrators must determine which sources of revenue can be used for each step of the employment and education process.



Outreach

### Engagement



Learning about goals/experience

### Helping with job applications



Visiting employer without job seeker

### Meeting employer with job seeker



Providing job supports

An even greater challenge for agencies is locating funds for IPS specialists to provide supports to students in high school, college, and certificate training programs. Some state mental health and vocational rehabilitation departments provide revenue for education services, and some state Medicaid plans may allow practitioners to bill for this service.

# Funding in 19 States in the Learning Community

These figures represent responses to a 2016 survey of state mental health leaders, IPS trainers, and Vocational Rehabilitation state liaisons from the 19 states in the IPS Learning Community at that time.

## County Funding for IPS



**9** states (47%) have county funding that pays for IPS services

## Types of State Mental Health Funding



**16** states (84%) have some form of Medicaid billing for IPS services

**9** states have sites where Medicaid reimburses portions of their services that meet medical necessity



**6** states have Rehab Option Medicaid waivers or amendments to help fund services

(including 1915b, B3 cost savings from 1915b/c, 1115c, and 1915i)

Other sources of state funding include: fee for service, Mental Health Grant Allocation, local mental health boards through state and local funds, General Fund, and federal Mental Health Block Grant funds.

Grants funded **3** other states. One of these states had 1115 Medicaid funding pending.

## Types of Grant Funding

**15** states (79%) have grants that help fund IPS services



Grant funders include:

- Substance Abuse and Mental Health Services Administration (SAMHSA) grants:
  - Transforming Lives through Supported Employment
  - Cooperative Agreements to Benefit Homeless Individuals (CABHI)
  - Mental Health Block Grants (MHBG)
- Private grants
- Corporate Contributions Johnson and Johnson - IPS Employment Center incentive funding
- State mental health dollars
- Mental Health and Substance Abuse Block Grant funds
- United Way
- State Legislative appropriations



## Ticket to Work



**5** states (26%) have IPS programs that receive Ticket to Work funding

## Medicaid Funding Attached to Fidelity

**3** states (15%) have attached Medicaid funding to fidelity



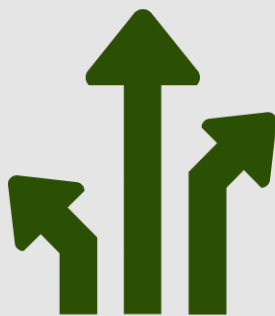
## VR State Agencies Purchase IPS Services

**77%** of VR state agencies (14 of 18) purchase time-limited VR services for VR eligible customers



## Milestone/Outcome Payments

All states that purchase VR time-limited services (job development and job placement, n=14) use some type of milestone/outcome system.



Total available payments (if all steps and factors are met):

Range:  
**\$2,400-\$9,550**

Mean:  
**\$5,451**

Median:  
**\$5,319**

## Additional Funding from VR for IPS

All states that provide time-limited VR services for VR eligible IPS participants provide additional funding for services in support of an individual's employment plan, including work clothing, tools, equipment, assistive technology, supplies, and benefit analysis. Several state VR agencies hire trained benefits counselors to provide that service directly.

## IPS Specific Policies/Procedures

Developed by State VR Agencies

**6** states have developed and published specific IPS policies, guidelines, or protocols to guide the work of VR counselors who work with IPS teams



# Examples of Braided Funding

Below are two examples of how states braided Vocational Rehabilitation and Department of Mental Health funding to support Individual Placement and Support (IPS) services.

## Example One

### Department of Mental Health Funding

1. Medicaid can be billed if employment services are tied to medical necessity for clients being served.
2. The state was awarded a 5-year Transforming Lives Through Supported Employment SAMHSA grant.



### Vocational Rehabilitation (VR) Funding

Outcome/milestone payments for IPS services:

- 15 days post job placement: \$1,693
- 45 days post job placement: \$1,693
- 90 days post job placement: \$3,386
- 120 days post job placement: \$700
- 150 days post job placement: \$700

**Total Available: \$8,172**

## Example Two

### Department of Mental Health Funding

1. IPS Supported Employment is considered a Rehabilitative Mental Health Service under the state's Medicaid State Plan. Supported Employment is part of the Prioritized List of Health Services outlined in the 1115 Medicaid Waiver.  
  
In 2013, the legislature made a 1.5 million additional investment in IPS Supported Employment services to Community Mental Health Programs (CMHS) statewide. The funding ensured statewide expansion and helped to provide services to individuals who are indigent, privately insured, or who are covered by Medicare.
- 2.



### Vocational Rehabilitation (VR) Funding

VR provides milestone payments to IPS sites based upon performance based job development and job coaching contracts.

Supported employment job placement costs are \$2,000 and retention is \$1,500.

For an intensive supportive employment consumer, the placement is \$2,000 and retention is \$2,000.

**Total Available: \$3,500 to \$4,000**

Vocational Rehabilitation is the Employment Network (EN) for Ticket to Work in the state and shares milestone pays with IPS providers.

For more information visit us on the web at

[www.ipsworks.org](http://www.ipsworks.org)

or connect with us on social media

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Employment Center