

## **A Summary of the Vocational Service Costs in Wisconsin’s Medicaid Funded Long-Term Care System for Individuals with Developmental Disabilities**

The cost of supported employment services were compared to the cost of center-based employment services in Wisconsin’s Medicaid funded long term care system for individuals with developmental disabilities in a recent study conducted by Robert Evert Cimera, Ph.D., Kent State University. The full report of this study can be found on the WI Pathways to Independence website (<http://www.dhs.wisconsin.gov/wipathways/pdf/cimera.pdf>). The following provides a brief summary of some of the key findings in this study.

The focus of this summary is on the cost comparison of Medicaid funded supported employment and center-based employment services when analyzed in relation to two specific outcomes: (1) cost per hour the individual worked; and (2) cost per dollar the individual earned. In order to do these cost comparisons, data on hours worked and wages earned were collected by setting (integrated, community employment versus center-based employment) for the month of September, 2009. The hour and wage data was requested from employment service providers for 496 individuals with developmental disabilities either in Family Care or in county-based waivers. The hour and wage data were reported for 124 (25%) of these individuals. September 2009 data on service costs were also collected on these 124 individuals, 29 of which participated in supported employment services, 73 of which participated in center-based employment services, and 22 of which received both supported employment and center-based employment services. Using Long-Term Care Functional Screen data, it was determined that the demographic and functional characteristics of these 124 individuals were similar. Data were analyzed separately for the 102 individuals (29 supported; 73 center-based)<sup>1</sup> who received only one of these two services and for the 22 individuals who received both of these services.

When looking at the cost of services per dollar earned, for those individuals who participated only in supported employment, the long-term care system investment averaged \$1.75 for each dollar an individual earned. For those individuals who participated only in center-based employment, the long-term care system investment averaged \$6.72 for each dollar an individual earned. For those individuals who participated in both supported and center-based employment, the long-term care system investment in supported employment averaged \$0.98 per dollar earned while the investment in center-based employment averaged \$4.41 per dollar earned.

<b>Average Cost of Employment Services per Dollar Earned</b>			
		Number of Services Received	
		One Employment Service (n = 102)	Both Employment Services (n =22)
Type of Employment Services	Supported Employment	\$1.75	\$0.98
	Center-Based Employment Services	\$6.72	\$4.41

Overall, not only did supported employment services cost less on a per-dollar-earned basis, but it was also the case that supported employees earned more per month, even though

<sup>1</sup> These 102 individuals come from an original sample of 171 matched pairs (171 receiving supported employment services and 171 receiving center-based employment services). Each pair was matched on nine variables taken from the *Wisconsin Adult Long Term Care Functional Screen*. These variables were age, race, gender, diagnosis (-es), employment status, self-injurious behavior rating, offensive or violent behavior to others rating, communication rating, and toileting rating. It is important to note that wage and hour data were not obtained for all matched pairs, so some individuals included in this sample do not have a matched individual comparison.

on average they worked fewer hours than those in center-based employment. Those who only received supported employment services, earned an average of \$361.04 in the month of September 2009. In contrast, those individuals who only received center-based services earned an average of \$159.77. Those individuals who received both employment services earned an average of \$302.28 as supported employees while earning an average of \$162.14 at their center-based employment.

Additional data analysis was done to calculate the costs to Wisconsin's long-term care system in relation to the number of hours the individuals worked. For those individuals who worked only in supported employment, the long-term care system investment averaged \$10.45 per hour worked. For those individuals who worked only in center-based employment, the long-term care system investment averaged \$15.91 per hour worked. For those individuals who participated in both types of employment, the cost of supported employment services averaged \$8.01 per hour worked and the cost of center-based services averaged \$13.40 per hour worked.

<b>Average Cost of Employment Services per Hour Worked</b>			
		Number of Services Received	
		One Employment Service (n = 102)	Both Employment Services (n =22)
Type of Employment Services	Supported Employment	\$10.45	\$8.01
	Center-Based Employment Services	\$15.91	\$13.40

As mentioned previously, individuals did work more hours in work centers than they did in supported employment programs, but as the above table indicates, the cost of supported employment services was still less expensive per hour worked. Those who only received supported employment services worked an average of 60.45 hours in September 2009. In contrast, those who only received center-based services worked an average of 67.51 hours in September 2009. For those who received both types of services, they worked an average of 37.70 hours as supported employees and an average of 53.42 hours in center-based employment.

It is important to note that the purpose of these analyses was to compare only the costs to Wisconsin's Medicaid-funded long-term care system. Therefore, other costs, such as costs to Vocational Rehabilitation, were not factored into these cost analyses. This was intentional because the question at hand was how cost-effective are these services for the state Medicaid funded long-term care system. Also, not included in these analyses were factors related to the quality of the two different employment services. When comparing the two programs other outcomes, not analyzed as part of this study, are also important to consider. However, this study does show that when the two services were compared **for the same or similar individuals**, supported employment services were less expensive than were center-based employment services for the Wisconsin Medicaid funded long-term care system on both a per-dollar-earned and per-hour-worked basis. A particularly noteworthy finding is that the cost of supported employment services, when calculated on the basis of hours worked by the individuals receiving the service, was found to be between \$8.01 and \$10.45 per hour. This study suggests that the cost of supporting individuals with developmental disabilities to work in community-based employment is much more comparable to the cost of alternative services (e.g. prevocational and day services) than is often assumed.