



November 18, 2013

The Honorable Joe Bolkcom
Co-Chair,
MHDS Redesign Fiscal Viability Study Committee
Iowa State Senate
State Capitol Building
Des Moines, IA 50319

The Honorable Dave Heaton
Co-Chair
MHDS Redesign Fiscal Viability Study Committee
Iowa House of Representatives
State Capitol Building
Des Moines, IA 50319

RE: Core Services of the Mental Health and Disabilities Services Redesign

Dear Senator Bolkcom and Representative Heaton:

As your Committee continues to evaluate the services to be identified as Core in the redesign, we want to encourage you to allow Regions to make the decision as to whether or not they wish to provide Work Activity Services, the service which routinely is provided in segregated environments.

IA-APSE strongly believes that Regions should have a choice about the way they spend local taxpayer dollars. However, in reality there are two issues here:

1. Who should make the decisions about spending local taxpayer dollars, and
2. What is the state and federal climate regarding segregated services—specifically segregated employment?

Iowa has a long history of local control and in general, the decision has been that local community members should make local decisions that best meet the needs of the local citizens.

In addition to our State's history of local control, there are several other factors that should influence your decision regarding forcing Regions to provide employment services in segregated settings. As you contemplate, please consider the following:

- The U.S. Department of Justice (DOJ) is increasingly investigating states where the majority of employment services are provided in segregated settings and mandating those states to provide more integrated services. For example:
 - Oregon must now develop supported employment services because it was found that the State was unnecessarily segregating individuals with intellectual and developmental disabilities in sheltered workshops due to lack of community options when those individuals could be served in integrated employment settings. *This hits close to home, given that Iowa spends approximately 80% of our employment service dollars for segregated services and only 20% for integrated employment services in the community.*
 - Virginia is now required to develop and implement an "Employment First" policy to prioritize and expand meaningful work opportunities for individuals with developmental disabilities.
 - North Carolina must now provide supported employment services to 2,500 citizens of the state who experience mental illness.
 - Delaware must develop evidence-based supported employment services for 1,100 people.
 - Georgia must develop supported employment services for individuals in that state who experience mental illness.
 - Rhode Island, but more specifically the city of Providence, must now provide the students of a segregated school who automatically entered a Sheltered Workshop supported employment and integrated day services for 40 hours a week with the expectation that they will work approximately 20 hours of those 40.
- Iowa DHS's Division of Mental Health and Disabilities Services supports integrated community employment as a critical component of their vision for the Iowans they serve. DHS's Olmstead Plan for Mental Health and Disability Services clearly calls for expanding opportunities for competitive employment in the community.
- Services typically provided under Work Activity can be provided under Pre-Vocational Services. Pre-Vocational Services are already a Core Service. Mandating Regions to provide both is duplicative.
- Individuals with disabilities who work in the community are more likely to be more socially included, have more friends and pay more taxes.
- Research conducted by the University of Iowa Public Policy Center demonstrated that beneficiaries with disabilities who are working and covered by Medicaid for Employed Persons with Disabilities (MEPD) saved the state approximately \$8.2 million by having fewer claims as compared to Medicaid beneficiaries who were not working during calendar year 2011.
- For every \$1.00 Iowa taxpayers spend on Supported Employment for individuals with intellectual disabilities, \$1.62 is returned in the form of taxes paid, reduced government subsidies, and savings from **not** funding alternative programs (Cimera, 2010).
- Placement in a segregated employment setting does little to increase a person's success in gaining integrated employment. In fact, research shows the opposite effect. A study of over 4,500 matched pairs of individuals with intellectual disabilities found that those having experience in a sheltered workshop cost more to serve in community employment and they

earned less money than those individuals without the experience in a sheltered workshop (Cimera, 2011).

As demonstrated above, integrated employment services not only benefit the individual with a disability but the taxpayer as well. The goal of integrated employment for all Iowans with disabilities is in keeping with the state’s Olmstead Plan and with the vision of MHDS. It is also aligned with services provided by Iowa Vocational Rehabilitation and the new directives from the Centers for Medicaid and Medicare Services (CMS)—the two primary funders of employment services.

It seems apparent that given the climate of integrated employment services on the state and national level that Regions should be allowed to choose if they want to provide segregated employment services. If a Region made the decision to do so, the onus would be on that Region. If the state made the provision of such a service a mandate, the onus would be on the state. It appears that the safest and most desirable position for the state would be for the Regions to make the decision, thus lessening potential repercussions.

Thank you for your efforts on behalf of Iowans with disabilities. Members of our Board would be happy to visit with you further about this issue.

Sincerely,

Ashlea Lantz
President

cc:

Senator Rob Hogg
Senator David Johnson
Senator Amanda Ragan
Senator Mark Segebart
Representative Joel Fry
Representative Kevin Koester
Representative Lisa Heddens
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Richard Shults, DHS, Administrator MHDS
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