



Legislative Fiscal Bureau

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January 8, 2014

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: ASA 1 to Assembly Bill 459: Individual Placement and Support Program

Assembly Bill 459 was introduced on October 18, 2013, and referred to the Assembly Committee on Health. The Committee adopted Assembly Substitute Amendment 1, and recommended ASA 1 for passage by a vote of 9 to 0. On November 12, the Assembly passed ASA 1 to AB 459 by a vote of 94 to 0. The bill was messaged to the Senate and, on November 14, referred to the Joint Committee on Finance.

ASA 1 would provide one-time funding of \$970,000 GPR in 2013-14 for the Department of Health Services (DHS) to operate a program that would provide grants for individual placement and support (IPS) services for individuals with mental illness.

BACKGROUND

IPS is an employment program for individuals with mental illness. It was developed by the Dartmouth College Psychiatric Research Center and has eight core principles. These principles are: (1) all clients who want to work may participate; (2) the client's preferences guide the job search; (3) provide frequent communication with and between the client's vocational and mental health service team; (4) help clients to find competitive employment; (5) counsel clients on how employment will impact their other benefits; (6) begin the job search as soon as possible; (7) provide on-the-job and other supports as long as desired by the client; and (8) employment specialists develop relationships with employers through in-person contacts over time.

Evaluations of the program indicate that IPS clients find employment more quickly, work in positions longer, may need less treatment, and earn more in total wages than control groups. Evaluations also indicate that client employment rates increase the closer an IPS program adheres to the standards developed by the Dartmouth College Psychiatric Research Center. The extent to which an IPS program adheres to the Dartmouth standards is termed its "fidelity" to the standards. Programs with higher fidelity match the Dartmouth standards more closely and are expected to

have better client outcomes.

In April, 2010, Wisconsin received a four year Johnson & Johnson/Dartmouth Community Mental Health Program grant for the development of IPS programs. Since receiving the award, DHS has provided grants totaling \$325,300 to four organizations in seven counties. The grant recipients, the counties of the recipients, and the amount of the grants are included in Table 1. DHS anticipates it will receive another \$60,000 grant to develop IPS programs in calendar year 2014. Since April, 2010, the Department has also allocated a total of \$268,400 from the federal community mental health block grant to support a state IPS trainer. The annual staffing and training costs for the IPS trainer are included in Table 2. DHS has allocated \$98,000 to support the IPS trainer in calendar year 2014.

TABLE 1

Johnson & Johnson/Dartmouth Community Health Program Grant Allocations

<u>Organization</u>	<u>County</u>	<u>Federal Fiscal Year</u>		<u>Calendar</u>
		<u>2010-11</u>	<u>2011-12</u>	<u>Year 2013</u>
Family and Children's Center	La Crosse	\$50,000	\$30,233	\$0
North Central Health Care	Marathon	53,200	30,233	0
Threshold Inc.	Washington	51,500	30,233	0
Western Regional Recovery and Wellness Consortium	Eau Claire, Barron, Dunn, Chippewa	<u>0</u>	<u>0</u>	<u>79,900</u>
Total		\$154,700	\$90,699	\$79,900

TABLE 2

Community Mental Health Block Grant Allocations

	<u>Federal Fiscal Year</u>		<u>Calendar</u>
	<u>2010-11*</u>	<u>2011-12</u>	<u>Year 2013</u>
IPS Trainer	\$87,216	\$84,000	\$86,238
Additional Training	<u>0</u>	<u>10,935</u>	<u>0</u>
Total	\$87,216	\$94,935	\$86,238

* This funding was for the period from June 1, 2010 to September 30, 2011.

Western Regional Recovery and Wellness Consortium (WRRWC) provided IPS services before receiving the Johnson & Johnson/Dartmouth grant as part of a one-time \$88,770 grant it received from DHS in November, 2011. Funding for the grant was provided by the federal Substance Abuse and Mental Health Services Administration (SAMHSA).

Through the Johnson & Johnson/Dartmouth and SAMHSA grants, the IPS program has served approximately 432 individuals in Wisconsin since October 1, 2011. From July, 2013, to September, 2013, the most recent reporting period for the Johnson & Johnson/Dartmouth grant, eight sites served 294 individuals. Of these 294 individuals, approximately 36 percent worked at some point during the reporting period, compared to 18.5 percent during the first reporting period from October to December of 2011. In addition, 18 individuals were stable enough in their jobs to no longer want job supports. With funding from the SAMHSA grant, WRRWC served 59 individuals from November, 2011, through September, 2012, and approximately 29 percent were actively employed at the end of this time period. Approximately 22 percent were employed at the same job for more than 90 days.

SUMMARY OF BILL

ASA 1 would provide one-time funding of \$970,000 GPR in 2013-14 in two new biennial appropriations to operate the IPS program (\$450,000 GPR) and to support grants and work incentive benefits counseling services for the IPS program. These appropriations would be repealed on July 1, 2015.

Under ASA 1, DHS would be required to create five regional centers for IPS for individuals experiencing mental illness. A center would be located in each of the following: (1) northwestern Wisconsin; (2) south-central Wisconsin; (3) a region consisting of a consortium of counties in northeastern Wisconsin; (4) a region consisting of a consortium of counties in central Wisconsin; and (5) a region consisting of a consortium of counties in southeastern Wisconsin. The Department would be required to ensure that each county in the state is served by one of these regional centers and could contract with existing organizations or consortiums to create the centers.

Each center would have access to an IPS trainer or mentor and an IPS supervisor. The IPS trainer or mentor and supervisor would be responsible for the duties required of these positions by an evidence-based individual placement and support model of supported employment.

DHS would be required to award grants to county or tribal unit programs, employment sites implementing IPS services, or regional centers for any of the following activities: (a) implementing IPS programs; (b) offsetting costs until a program is capable of billing the medical assistance (MA) program for any services covered under the MA program; or (c) becoming a provider of vocational rehabilitation services through the Department of Workforce Development (DWD). Each grant applicant would be required to identify in its grant application future sources of possible funding for the program.

The grants would be used to implement IPS programs, offset costs until a program is capable of billing the MA program, or can become a provider of vocational rehabilitation services through DWD. DHS and the regional centers would be required to arrange for work incentive benefits counseling for individuals who are not receiving vocational rehabilitation services from DWD.

Finally, DHS would be required to seek any approval from the federal Department of Health and Human Services that is necessary to obtain federal MA matching funds, if available, for

reimbursement of individual placement and support services.

ASA 1 includes provisions that specify how the one-time funding would be used. The amounts budgeted for operations (\$450,000) would fund IPS trainers and supervisors.

Of the amounts budgeted for grants (\$520,000) up to \$400,000 would be allocated for infrastructure pilot grants, using a graduated outcome or incentive payment schedule including awarding amounts for the satisfaction of any of the following criteria by the grant applicant: (a) developing a steering committee, completing agreements with DWD, becoming a vocational rehabilitation service provider, providing staff, and hosting an event indicating readiness to provide services; (b) completing the baseline review within six months of the program; (c) developing a plan for improvements and achieving a certain percentage, as determined by DHS, of employees retained for a full year who are hired under the program; and (d) achieving good fidelity to the evidence-based model.

The rest (up to \$120,000) would be used to fund work incentive benefits counseling for individuals statewide. Work incentive benefits counseling assists clients to identify and obtain work-related government benefits including social security, MA, and other government entitlements.

FISCAL EFFECT

ASA 1 would provide one-time funding totaling \$970,000 GPR in 2013-14 in two biennial appropriations to fund IPS operations, IPS grants, and work incentive benefits counseling. This funding would be available to support program costs through June 30, 2015. Using the funding budgeted in the state operations appropriation (\$450,000 GPR), DHS would be able to fund the number of IPS trainers or mentors, IPS supervisors, or other program staff it determines are necessary to fulfill the requirements in ASA 1. It is assumed that these positions would be funded through contracts, rather than state positions, as ASA 1 would not provide DHS with additional position authority to administer the program.

Under ASA 1, up to \$400,000 GPR could be used to provide grants to applicants, using a graduated outcome or incentive payment schedule.

Finally, up to \$120,000 GPR would be available to support work incentive benefits counseling. The Department would have discretion to set the number of IPS participants who would receive counseling.

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