

[Home](#) : [Publications](#) :

# North Carolina: Using an Outcomes-based Long Term Vocational Services Funding Model

By:

- [Allison Cohen Hall](#)

Originally published: 7/2009

In North Carolina, counties have been consolidated into Local Management Entities (LMEs). These entities contract for services with community providers and provide oversight on access, utilization, best practices, and community collaborations. The Mecklenberg County LME established the Best Practices Community Committee, comprising service providers, individuals and family members, advocacy agencies, community partners, interested community volunteers, and LME staff. Sub-committees addressed several areas, including employment. Based on their recommendations, a pilot project that uses an outcome-based funding model for follow-along employment services was developed.

Follow-along employment supports are on-going supports that are necessary to assist a person with an intellectual/developmental disability to remain successfully employed in the community. Typically, follow-along services, also called long-term vocational services (LTVS), have been funded entirely by periodic, hourly-based payments and an authorization system. This process was seen as micromanagement and both time- and clerical-intensive, and was not associated with achieving quality outcomes. The new outcomes-based funding approach sought to address these issues and develop a system that focused on accountability, efficiency, and outcomes.

## Implementation

In June 2007, the Mecklenberg LME selected Easter Seals United Cerebral Palsy (UCP) to implement the pilot program. Within this outcome-based LTVS funding model, a fixed payment is made to the supported employment provider each month based upon deliverables that were achieved in each individual's plan for employment. The amount of the payment is comparable to the typical average cost per person under a fee for service model, but that there are savings in contract management, oversight and reporting for the provider and the funder, and the provider has the flexibility to provide intensive support to one person while those intensive supports are offset by individuals who need relatively little support. The deliverables in LTVS include maintaining satisfactory work performance as measured by satisfaction of the individual. Employers are also interviewed each month to confirm that the individual they hired via supported employment services is working at acceptable production and quality standards with appropriate social and interpersonal interactions at work. Additional outcome measures include the provider's swift response to crisis, timely

intervention to prevent job loss or to secure new jobs when desired. Providers must assume the risk of serving individuals with more intensive support needs. Providers also assume the risk of managing the annual contract so that consistent, high quality LTVS services are delivered to each individual on the caseload.

## Impact

Stakeholders noted there are several advantages to this new system. The LME is now paying only for clinically relevant outcomes, such as successfully maintaining a job, as opposed to processes. The following outcomes were targeted: 80 percent job retention rate; job satisfaction (as measured by the individual); supported employment provider meeting the negotiated target for new individuals added to LTVS while retaining jobs for individuals already receiving LTVS; and a minimum of two job site visits per month per individual served. If someone loses their job the payments end two months after job loss, allowing time to change the person centered plan and support the person to reengage with vocational rehabilitation for job development.

These outcomes and defined performance measures can be revised and renegotiated as necessary. In addition, staff time and resources have been freed up from clerical and billing procedures by a simpler reporting process and a more streamlined authorization process— one authorization per year versus one per quarter. There has been a reduced number of authorization requests for support needs and the monthly utilization review has been replaced with a mid-year and annual program review.

Initial results suggest progress. From July 2007 to May 2008, the average number of cases served per month was 69 (75 percent of target); 16 new individuals were added (64 percent of target); there was an 82 percent retention rate; and 78 percent of individuals served were involved in two visits per month.

## Suggestions for Replication

Clearly define the desired outcomes the system wants to pay for and focus policy on achieving those outcomes.

Ensure that values and philosophy define the process.

Use a funding model that creates an incentive for the provider to deliver LTVS in a way that meets the values and mission and increases efficiency of clerical and authorization process.

## For more information, please contact

Pat Keul, NC APSE Consultant  
patkeul@yahoo.com

Copyright 1992-2016 , the University of Massachusetts Boston. ICI is affiliated with the University of Massachusetts Boston and Children's Hospital Boston.  
Permission to use, copy, and distribute all documents on this site, in whole or in

part, for non-commercial use and without fee, is hereby granted provided that appropriate credit to the University of Massachusetts Boston be included in all copies. Alternate formats are available upon request.