

Focused Investment of Financial Resources and Management Approaches

Maryland Division of Rehabilitation Services

Abstract

The Maryland Division of Rehabilitation Services (DORS) has been operating under an Order of Selection (OOS) policy since the late 1980s. The DORS has faced multiple issues related to federal distributions of vocational rehabilitation (VR) funds, state financial support, and increasing cost of services and demands for services.

To address these issues, the agency has made a coordinated effort to focus financial and staffing resources on serving individuals with the most significant disabilities (MSD) and significant disabilities (SD). This has included soliciting additional state funds for special initiatives, restructuring the case services budget, entering into cooperative agreements with other state agencies to avoid duplication of services, and management techniques that support counselors serving those with MSD.

Background

The Maryland DORS has been under an OOS policy since the late 1980s.¹ Since the implementation of the OOS policy, Maryland has focused on only serving individuals with MSD and SD, due to lack of resources. The agency classifies eligible applicants according to the following categories:²

Individuals with Most Significant Disabilities (MSD)

An individual with a “most significant” disability is available and willing to participate in the DORS VR program, meets the definition of SD, and has a disability that seriously affects three or more functional capacities among the following areas: mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, and/or work skills.

Individuals who automatically meet the criteria for SD also meet the criteria for MSD if three functional areas are affected. Individuals who are eligible for long-term supports of the Developmental Disability Administration or the Mental Health Administration and are pursuing supported employment are presumed to be individuals with MSD.

Individuals with Significant Disabilities (SD): An individual with a “significant” disability has a severe physical or mental impairment that seriously limits one or more functional capacities (as listed above) in terms of an employment outcome. The individual can be expected to require multiple VR services, including at least two from the following: guidance and counseling, medical rehabilitation services including technology services, job placement, and vocational training. Also, the individual’s vocational rehabilitation is projected to require at least six months.

Any individual meeting the above criteria may be determined to have at least a significant disability. An individual is deemed to automatically meet the above criteria when:

1. The individual is a recipient of Social Security Disability Insurance (SSDI) benefits or Supplemental Security Income (SSI) payments by reason of blindness or disability.
2. The individual is in special education and receiving the majority of educational/academic supports in a self-contained classroom and/or facility.
3. The individual has one of the major disabling conditions automatically meeting the definition of SD or MSD, specified in the VR Priority Guide [Manual].

Individuals with Non-Severe Disabilities

An individual with a “non-severe” disability is eligible for VR services, but does not meet the criteria for having a significant or most significant disability.

DORS has a quality-control process to ensure that OOS determinations are accurate. The agency uses the electronic case-management system AWARE, and case reviews by

1 Communication with key informant (11/18/10).

2 Silverstein, Robert (2010). A compendium of state policy frameworks regarding order of selection under Title I of the Rehabilitation Act of 1973, as amended. Boston, MA: University of Massachusetts Boston, Institute for Community Inclusion.

supervisors are conducted before the OOS determination is approved and finalized. Some senior counselors, however, do not require supervisory approval, because they have demonstrated excellent skill in making quality OOS determinations. Instead, a random sample of at least six determinations per month are reviewed by the local manager, and the results of the reviews are discussed with the counselor and reported to the agency's quality assurance specialist.

An external review team composed of central-office and regional-office staff, and staff from other DORS regions, is also a part of the overall quality-assurance process. This team conducts periodic casework reviews of each local office on a rotating basis. According to our key informant, "You try to give it [the case review process] the necessary level of due diligence to make sure those decisions reflect the policies and our procedures around that [eligibility and order of selection category] determination."

The DORS has been under financial pressure over the past decade. Inflation has boosted the cost of providing services by approximately 25%, while federal funding for the state budget has risen less than 10%. In fact, Maryland DORS is among the lowest federally-funded state VR agencies in the country.³ This is due to the federal distribution formula for the Title I Basic VR Support grant. This grant weighs heavily the state's per-capita income in determining allotments for each state VR agency. Over the last ten years, Maryland has seen a significant increase in its per-capita income national ranking, and therefore experienced minimal growth of its federal funding.

The agency has also felt an increased demand for services, with applications going up 40% over the last decade.⁴ These pressures have resulted in the agency having to create a waitlist for services (at times, for individuals in all priority categories) and not providing services to those in category three (individuals with non-severe disabilities).

At the beginning of FY 2009, there were 5,230 eligible individuals on the waitlist. The agency estimated that some customers would have to wait up to a year and a half for services.⁵ As of 2011, the agency does not anticipate being

able to serve eligible individuals with non-severe disabilities. According to a key informant, individuals in this category are referred to community colleges and/or connected with staff at One-Stop Career Centers around the state.⁶

The major issue for the DORS has been insufficient federal funding. The agency was able to secure a small increase in state funds as of July 2008, as well as money from the American Recovery and Reinvestment Act (ARRA) in 2009.⁷ However, resources such as the ARRA funding are time-limited, and only provide temporary relief.

In order to continue to provide services to individuals with disabilities, including those with MSD and SD, the DORS had to take an aggressive look at its case-services budget and consider how financial resources were being used. According to a key informant, "We've tried to be clear in terms of what the priorities are of the agency and then we've tried to align our resources that support and focus on those priorities." The DORS has also used several human resource management strategies to better support counselors serving individuals with MSD and SD.

Purpose, Goals, and Implementation

The goal of the practices is to maintain the agency priority to serve those with MSD and SD. The purposes are maximizing available case-services funds and designating and managing staff so that they can better serve individuals with MSD and SD.

The DORS has concentrated its financial and staffing resources to maintain a focus on serving individuals with MSD and SD. This has included (a) strategies to maximize financial resources, and (b) human resource management techniques, including collaborative work with community partners and performance evaluations of counselors.

(a) Strategies to maximize financial resources

According to our key informant, funding has been a concern at the DORS for a number of years. Due to federal funding calculations, Maryland receives disproportionately less funding than other states, some years receiving less money than the year before. In fact, Maryland is the third most poorly funded state.⁸

³ Maryland Division of Rehabilitation Services (DORS) (2010). Statewide comprehensive needs assessment: Executive summary. Baltimore, MD: Maryland State Department of Education. Retrieved from <http://tinyurl.com/7fqrgcl>

⁴ Maryland Division of Rehabilitation Services (DORS) (2010). Statewide comprehensive needs assessment: Executive summary. Baltimore, MD: Maryland State Department of Education. Retrieved from <http://tinyurl.com/7fqrgcl>

⁵ Ibid.

⁶ Communication with key informant (11/18/10).

⁷ Maryland Division of Rehabilitation Services (DORS) (2010). Statewide comprehensive needs assessment: Executive summary. Baltimore, MD: Maryland State Department of Education. Retrieved from <http://tinyurl.com/7fqrgcl>

⁸ Maryland Division of Rehabilitation Services (DORS) (2010).

In the past 5–8 years, the agency has not had the resources to serve those in priority category three, and at times has had to close categories one and two and use a waitlist for all customers. The DORS has had to put in a coordinated effort to increase its financial resources in order to serve customers with MSD and SD. The agency has used strategies including monitoring indicators of service capacity, working with the state government to secure re-allotment⁹ money from the federal support grant, and using ARRA funding to bolster its case-services budget. The agency also pursues reimbursement from the Social Security Administration (SSA) cost reimbursement program, has combined funds with other service providers, and has several disability-specific initiatives that focus money and staff time on targeted MSD and SD populations.

A key informant explained that central management takes into account number of referrals, number of customers determined to be eligible and placed in priority categories one and two, and number of Individualized Employment Plans (IEPs) written to determine the overall impact of the service costs on the case-services budget. Careful monitoring of these numbers is key to determine if action is needed, for example, by closing category two or implementing a waitlist for individuals in one or both categories.

The DORS focus on serving individuals with MSD and SD also results in the ability to capture third-party revenue through the SSA cost reimbursement program. The agency aggressively pursues this important revenue stream with a coordinated program involving central office and field staff located across the state. At this point, there is a central office unit that is dedicated to recovering SSA cost reimbursement, with a lead staff who is in charge of coordinating claims, reporting, and managing relationships with key ticket partner organizations.

Social Security will reimburse state VR agencies for direct and indirect costs of services provided to SSA beneficiaries, as long as the agency can verify that the individual returned to work and had earnings that met the standard for Substantial Gainful Activity (SGA) over a period of nine months. The process of capturing reimbursements has been refined since

the agency began to pursue these funds. A key informant explained that the average return was between \$1.0M and \$1.2M a year prior to 2000, but increased to \$2.0M+ from 2000.

With these refinements, the agency has been able to recover approximately two to three million dollars a year over the last 8 years. This represents a significant increase in recovered funds, which are also impacted by agency employment outcomes and case costs of individuals receiving SSA benefits.

Three refinements made the process of submitting claims to SSA for reimbursement more efficient. The first one involved a change to the output of the electronic case management system, so that staff could access basic information from client records. This meant that they could extract direct costs of cases without having to look at the actual case file located in a local office. This represented a major time savings as staff no longer had to go out to the local office to get this information.

A second refinement involved increased access to the Unemployment Insurance (UI) database, so that staff can pull wage history reports directly from the database. This information is necessary to prove employment and earnings and determine if a customer worked at the level of SGA for the time period (nine months) that is required for reimbursement. Direct access to this information both simplified and sped up the process of verifying if the agency could submit a claim.

Another related improvement was that due to an agreement with the Maryland UI agency, the DORS is able to get out-of-state wages for customers who are working in neighboring states. Access to this additional wage information increases the number of customers with successful employment outcomes that the agency has sufficient employment and earning information to be able to submit reimbursement claims. This new way of accessing is online and immediate, and far simpler than previous methods.

The third refinement was that the agency now has access to the Social Security database. This makes it possible to confirm within 24–48 hours whether or not an individual is an SSA beneficiary, and in a status where the agency could be reimbursed. These refinements came together over a 3–5 year period, and have contributed to the substantial increase in SSA reimbursement cases. As explained by a key informant, “it gave us a higher successful batting average in terms of SSDI or SSI [individuals] potentially eligible for reimbursement.”

Statewide comprehensive needs assessment: Executive summary. Baltimore, MD: Maryland State Department of Education. Retrieved from <http://tinyurl.com/7fqrgcl>

9 In order for state VR agencies to receive money from the federal VR service-money grant, they must secure a state match. If a state does not have a state match for the federal grant, it must take a reduced amount and the additional money is re-allotted to states that can secure a larger state match.

In order to be able to improve the process of recovering costs from SSA, a key informant explained that a few factors were important: access to and assistance from more experienced counterparts in other states who had experience with SSA cost reimbursement and the support of agency administrators who supported the effort and provided the necessary resources. An upcoming change to the process that will impact the cost reimbursement process is an updated computer system which will automatically query the UI and SSA databases to verify benefits and wages without staff having to do queries on an individual basis. A key informant explained that other states have adopted this technology and have seen a jump in percentage of cost reimbursement, and the same is expected in Maryland.

In addition, the DORS has entered into a number of “Partnership Plus” agreements with local providers to both maximize program income and to strengthen long-term funding capacities for supported employment. Although the agency does not receive reimbursement for these cases, the major benefit is that the Partnership Plus programs provide a resource to customers that can assist them in increasing their earning capacity above SGA and provide better overall employment outcomes for these VR customers. A key informant explained that currently, many of the individuals who are the target of the Partnership Plus programs go to work, but remain just under SGA in earnings, and therefore, will benefit from the support available through these services to assist them in understanding work incentives and other benefits of increasing their earnings.

(b) Human resource management

Our key informants described several human resource management practices that emphasize the agency’s focus on serving customers with MSD and SD, including staff assignments, performance evaluations, and training.

a. Staff efforts in cooperative agreements with other state agencies.
How staff are allocated to work with community partners (e.g., liaison and referral source assignments) reflects the emphasis on the agency’s priority to serve those with MSD and SD. The agency has developed a number of disability-specific partner initiatives (blind, deaf, acquired brain injury, and autism/Asperger’s) that have further focused and aligned agency resources on targeted MSD and SD populations. One example is a partnership with the state mental health agency. Currently, the agency employs counselors who have specialty caseloads working with individuals with chronic and severe mental illness, multiple hospitalizations, and/or co-occurring substance-abuse disorders.

According to a key informant, the mental health agency included in its electronic case-management system information that DORS needs in order to take an application and establish eligibility. Additionally, the mental health agency has granted guest access to DORS staff to particular parts of its case-management system so that staff may do outreach to individuals who would likely be eligible for DORS services and meet the criteria for MSD or SD. This close working relationship between the mental health agency and DORS supports the evidence-based practice of rapid referral and engagement with vocational services.

Another example provided by a key informant is the relationship between the DORS and customers who are Deaf (e.g., through the Maryland School for the Deaf as well as the Deaf community). This partnership is cultivated through dedicated staff and members of the State Rehabilitation Council. The DORS also does outreach to individuals with traumatic brain injuries (TBI), primarily through the Maryland Brain Injury Association, and is further supported by additional funding provided by the state to provide long-term supports to individuals with TBI through community rehabilitation providers. As part of this effort, there are ongoing quarterly meetings between community providers and DORS staff who serve these individuals. DORS has also developed agreements with the mental health agency and the state agency for individuals with developmental disabilities to provide post-closure supports.

The DORS is organized within the Maryland State Department of Education. This structure facilitates agreements with local education agencies that result in a close working relationship between DORS and public schools. DORS has assigned dedicated VR counselors to work with transitioning youth and with all high schools in Maryland. Additionally, DORS secured a federal grant to work with transitioning youth to create a smoother transition from school to work or post-secondary education. An important component of the initiative is providing a paid work experience prior to exiting school. DORS staff work with local One-Stop programs to access employer resources and identify employment opportunities. Currently, transitioning youth comprise approximately 35% of DORS’s caseload.

These relationships allow the DORS to collaborate with key service partners to combine resources and provide quality service to individuals with MSD and SD. These relationships are important when communicating DORS service and potential changes, for example, opening or

closing an OOS category or implementing a waitlist. When this sort of change to services was necessary in the past, administrative-level staff communicated with all key service partners, particularly community rehabilitation providers, to discuss the reason for the change and listen to the impact on the other programs. The communication regarding the current status of priority categories being served and waitlists also includes internal staff (e.g., counselors) and the State Rehabilitation Council. Information included in the communication includes the budget status and process (e.g., available case service dollars, levels of spending), and the current status of the waitlist.

The DORS takes a deliberate approach to balancing resources with anticipated costs and demands on staff (e.g., caseload sizes). This helps ensure that when individuals are released from the waitlist, case-service money and staff are available to them. Having a good sense of resources helps counselors communicate the OOS policies to customers in an effective way, providing information on their priority category assignment and their anticipated wait time.

b. Restructuring counselor performance evaluations. The Rehabilitation Services Administration works with each state VR agency to set overall performance goals, and it is common for VR agencies to work with counselors to set their own individual performance goals to help the agency meet the RSA-set indicators. According to a key informant, Maryland has a program called "Management for Results"¹⁰ that is used across agencies to increase efficiency and accountability and to drive continuous improvement.

Staff performance under this model is evaluated with a combination of data-driven and behavioral indicators. The model for staff evaluations is based on the RSA-set indicators,¹¹ with the additions of customer satisfaction, timeliness of service, adherence to policy and procedure, demonstration of fiscal management of case-load and case-

service dollars, and quality of relationship with community referral sources. Each of these aspects is used to determine counselors' performance rating for the year.

The DORS, unlike some other state VR agencies, is a general combined agency with dedicated staff and a dedicated office to serving individuals who are blind. Since serving Blind individuals requires a more specialized set of skills, the agency has to focus on hiring and training practices for their counselors who fill that role. Strategies include promoting from within, for example, filling counselor positions with teachers for the Blind who already work for the agency; using Blind individuals on the state-mandated panel interviews; and using online training to develop specific skills (e.g., Braille).

A key informant reports that for the division providing services to individuals who are Blind, the agency is fortunate to not have much turnover. Also specific to the division for the Blind is the level of interaction between the DORS and community service agencies. DORS staff who serve blind individuals are very involved with the service providers, and several other interagency coordinated teams. These include the state rehabilitation council, the state elected committee of Blind vendors, and the governor's workforce on disability. As explained by a key informant regarding collaboration among service providers for individuals who are blind:

I think it's very important, with your different groups/agencies/community partners/whoever, to make sure that you have open and honest communication. And usually it means going to more meetings and participating in more calls, and reading more reports and emails, to just make sure that you know where each person's coming from and where collaboration is in your best interest.

This active involvement is key in maintaining relationships that result in better services to all customers.

c. Providing staff training and other resources. Key informants noted other efforts to support staff within the context of only serving individuals with MSD and SD. These have included staff training and preparation to ensure that counselors are prepared to work with customers with multiple and complex barriers to employment. The agency has developed relationships with local rehabilitation counseling programs and provided opportunities for master's level students to do internships at the DORS. Often these interns are a source of qualified staff when they are finished with their degree.

¹⁰ Maryland Department of Budget and Management (n.d.). Managing for results in Maryland state government. Retrieved from <http://dbm.maryland.gov/agencies/pages/managingresultsmaryland.aspx>

¹¹ RSA sets performance indicators for all state VR agencies, including: change in number of employment outcomes, percentage of cases closed with successful employment, percent competitively employed, percentage of customers with significant disability, earnings ratio of customers to average earnings in the state, percentage of customers reaching self-support, and ratio of minority customers served. Source: U.S. Department of Education (n.d.). Evaluation standards and performance indicators for the Vocational Rehabilitation Services Program. Retrieved from <http://www2.ed.gov/rschstat/eval/rehab/standards.html>

The DORS also supports counselors in pursuing master's degrees, consistent with Comprehensive System of Personnel Development requirements, and implementing a level of senior counselor called "technical specialist." These counselors, in addition to meeting typical education and experience requirements, also develop expertise in a particular area and become a resource for other staff. Part of their performance evaluation includes training and technical assistance. This is separate from other staff evaluation procedures.

The agency also provides access to training on emerging issues, for example, information on the impact of autism spectrum disorder on success in school and work. In addition, the DORS has invested in providing access to benefits counselors. Those professionals can assist counselors in working with SSA beneficiaries who may be concerned about losing their cash or medical benefits if they return to work.

Results

The DORS has been recognized as a top-performing state VR agency in terms of service to people with mental illness (MI; top 5 most effective states) and developmental disabilities (DD; top 7 most effective states) by RSA¹². Rehabilitation rates¹³ have been calculated for these customer groups at 79% for individuals with DD and 73% for people with MI.¹⁴ RSA considers a rehabilitation rate of over 65% for individuals with DD, and over 60% for individuals with MI, as "high."

The DORS also has a higher than average customer population of individuals receiving SSDI and SSI. The state performs well considering that this customer base often has multiple barriers and typically achieves lower rates of employment.

Using SSI and SSDI recipients as a proxy for severity, in FY 2009, 27.4% and 22.9% of DORS employment outcomes were SSI and SSDI recipients respectively. This compares

favorably with national state VR agency averages of 14.5% and 16.1%. The DORS also achieved rehabilitation rates of 61.5% and 63.5% for SSI and SSDI customers respectively, compared to national averages of 42% and 46.9%.¹⁵

When asked how Maryland continually performs well despite long-time resource shortages and need for an OOS policy and waitlists at times, key informants pointed to agency leadership and vision. They also cited initiatives that matched with the agency values and mission of providing employment services to individuals with SD and MSD. Specific aspects mentioned include maintaining and clearly communicating attainable expectations to staff and members of the community (e.g., provider partners, current and potential customers).

Additionally, informants noted that the DORS's cooperative relationships with other service providers (e.g., the Mental Hygiene Administration) have been very important in providing better services to mutual customers, in a way that supports the work of the DORS counselors. The strict focus on employment has also opened up communication with employers, and informants noted that increased efforts to work with the business community have resulted in higher numbers of employers who are willing to hire agency customers.

The DORS has demonstrated success in serving customers with MSD and SD through a very active alignment of financial resources and engaged management strategies and practices. Without question, though, significant resource challenges persist. The agency is now under increasing pressure due to the number of caseload-carrying VR counselors and the agency's overall case management capacity.

Clearly, this will present new and even more challenging issues as the agency has less control in adjusting position counts and position classifications. State oversight agencies and the legislature will be necessary partners in the personnel adjustment process. The DORS has nurtured and maintained an excellent partnership with its State Rehabilitation Council (SRC); the Maryland SRC has been very engaged and active in all the agency's efforts to target and serve MSD and SD consumers. As Maryland works to address the issue of increasing the number of caseload-carrying VR counselors, the partnership with the SRC will continue to be vitally important.

¹² U.S. Department of Education Office of Special Education and Rehabilitative Services (2009). Fiscal Year 2007 monitoring report on the Vocational Rehabilitation and Independent Living Programs in the State of Maryland. Washington, DC: Rehabilitation Services Administration. Retrieved from <http://tinyurl.com/7jx4lsd>

¹³ Rehabilitation Rate = (# closures into employment) / (# closures into employment + # closures with an IPE but no employment outcome)

¹⁴ U.S. Department of Education Office of Special Education and Rehabilitative Services (2009). Annual review report FY 2008: Maryland Division of Rehabilitative Services. Washington, DC: Rehabilitation Services Administration. Retrieved from <http://tinyurl.com/76wr7jq>

¹⁵ Information obtained from key informant.

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