

Extended Employment Support: Analysis of Implementation and Funding Issues

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Abstract

The purpose of this study was to examine current practices and perceptions of supported employment provider agencies regarding extended services. From a total survey sample of 385 agencies, 345 (89.6%) were vendedored to provide extended services. The average extended service caseload was 27 consumers or 57% of the average supported employment caseload. More than half of agencies used the employment specialist who initially performed training to monitor extended services. Only four of ten extended services consumers received more than the minimally required support level of two contacts per month. Although state mental retardation/developmental disability and mental health agencies were the primary sources of extended services funding, providers used a variety of funding sources and methods for extended services. Respondents who were able to negotiate reimbursement rates were more likely to indicate that their funding method promoted consumer choice and movement of consumers and resources from segregated services to community-based employment. Findings are discussed in relation to the growing use of natural supports in extended services, and the relationship of funding mechanisms to service quality and access.

Individuals with severe cognitive and physical disabilities historically have had low expectations for competitive employment because of their needs for extensive training, job modification, follow-along services, and/or employer and coworker preparation. Since 1986, a Vocational Rehabilitation (VR) service option, supported employment, has been the avenue by which many thousands of individuals with severe disabilities, often relegated to sheltered work or non-work programs, have become competitively employed (Wehman, Revell, & Kregel, 1997).

Supported employment is a combination of two service phases: (1) time-limited employment services primarily funded by state VR agencies, which could include job development and placement, training, and necessary job modifications; and (2) extended services such as periodic job skills reinforcement and on-going support, funded by non-VR sources. Typically, these non-VR sources have been state mental retardation, developmental disability or mental health funding agencies (Wehman et al., 1997). In most states, both time-limited and extended services are vendedored by the state agencies to private provider agencies. Individuals who work with customers of supported employment services are often termed job coaches or employment specialists (Brooke, Inge, Armstrong, & Wehman, 1997).

The initial supported employment regulations (Federal Register, August 14, 1987) defined the target population as individuals with severe disabilities for whom competitive employment has not traditionally been an option, and for whom on-going support (i.e., extended services) are essential to maintaining competitive employment. The required minimal level of support for extended services is two contacts per month for job maintenance purposes. Amendments to the Rehabilitation Act in 1992 added language which redefined the target population as VR consumers "with the most severe disabilities" in an effort to insure that programs serve those who are truly in need of intensive and ongoing supports, but retained the minimum contact criterion (Federal Register, June 24, 1992).

The provision of extended services is a defining characteristic of supported employment, and the need for extended services a defining characteristic of eligible consumers. The direct linkage of the Rehabilitation Act and supported employment regulations to state VR programs has encouraged policy analysis and field research focusing on the time limited service phase, with less attention to the extended services component. While much theoretical and practical information is available (Albin & Slovic, 1992; Griffin, Test, Dalton, & Wood, 1995; West, 1992), supported employment research has not specifically addressed the types of services provided during this service phase, the types of funding methods employed, types of services provided, or other implementation issues. This area of research is essential to improving service efficiency and quality, and enhancing long-term consumer employment outcomes, such as job retention and career advancement.

This investigation examined issues and practices related to the provision of extended services to supported employment consumers. In particular, the study addresses (1) the scope and nature of services provided during the extended services phase, (2) funding sources and methods utilized, and (3) the impact of funding methods on service quality.

Participants

The survey participants were representatives of 385 randomly selected supported employment provider agencies located in 40 states. The mean supported employment caseload of responding agencies was 47.6 consumers. Additional characteristics of these agencies, their services, and consumers are presented below in Table 1. Respondents were typically coordinators of the supported employment program or executive directors of the agency.

Table 1

Characteristics of the Agencies Surveyed

1. Type of service catchment area:	17.9%
Urban	3.4%
Suburban	38.8%
Rural	39.8%
Mixed	
2. Disability groups served:	
Single disability groups	32.5%
Multiple disability groups	67.5%
3. Specific disability groups served (agencies serving single groups only):	
Mental retardation	
Mental illness	69.9%
Other disabilities	23.6%
	6.5%
4. Supported employment service models utilized:	
Individual placement only	
Group placement only	50.4%
Individual group placement	1.3%
	48.3%

Instrumentation

The data for this investigation were collected through the National Supported Employment Provider Survey conducted by the Rehabilitation Research and Training Center on Supported Employment at Virginia Commonwealth University (VCU-RRTC). The National Provider Survey was developed by the VCU-RRTC to elicit information via telephone on a number of issues pertaining to supported employment service delivery, such as unserved and underserved populations, use of natural supports, time-limited and extended services methods and funding, and use of Social Security Work Incentives. Items related to extended services were generated from discussions with providers, researchers, and advocates in the field. Prior to national administration, a pilot version of the National Provider Survey was administered to representatives of 10 supported employment agencies in Virginia who assessed face validity and response difficulty for the items.

Procedure

Sample selection. The survey sample was drawn from the population of providers of supported employment services as defined and funded under Title VI(C) of the Rehabilitation Act. State VR agency staff responsible for their respective state supported employment programs were contacted and requested to provide a current list of public and private agencies vendored for supported employment services in accordance with applicable state and federal VR regulations and policies. These lists were reviewed to insure that they were of recent origin, and appeared to contain only names of providers of supported employment. Follow-up contacts for clarification were made for state lists that failed to meet these criteria. A total of 40 usable vendor lists were obtained for sampling. The survey sample was completed through random selection with substitution. An average of 20% of confirmed providers were sampled, with sample sizes ranging from a minimum sample of 10% to a maximum sample of 25%. The survey sample was drawn from the population of providers of supported employment services as defined and funded under Title VI(C) of the Rehabilitation Act. State VR agency staff responsible for their respective state supported employment programs were contacted and requested to provide a current list of public and private agencies vendored for supported employment services in accordance with applicable state and federal VR regulations and policies. These lists were reviewed to insure that they were of recent origin, and appeared to contain only names of providers of supported employment. Follow-up contacts for clarification were made for state lists that failed to meet these criteria. A total of 40 usable vendor lists were obtained for sampling. The survey sample was completed through random selection with substitution. An average of 20% of confirmed providers were sampled, with sample sizes ranging from a minimum sample of 10% to a maximum sample of 25%.

Telephone surveys. Because of the extensive nature of the survey, telephone surveys were conducted over the course of approximately eight months by eight telephone interviewers. A survey script was developed that provided a consistent method for interviewers to identify appropriate respondents to the various minisurveys and lead respondents through the multiple sections. Most surveys required several telephone contacts to schedule and complete, with total survey time averaging approximately 45 minutes. Because of the extensive nature of the survey, telephone surveys were conducted over the course of approximately eight months by eight telephone interviewers. A survey script was developed that provided a consistent method for interviewers to identify appropriate respondents to the various minisurveys and lead respondents through the multiple sections. Most surveys required several telephone contacts to schedule and complete, with total survey time averaging approximately 45 minutes.

Data analysis. Quantitative data were aggregated using database and statistical software. Data analysis included computation of descriptive statistics (means and frequencies) and chi-square analyses. Responses to open-ended items were analyzed and interpreted qualitatively, through inductive content analysis and analyst-constructed typologies (Patton, 1990). Quantitative data were aggregated using database and statistical software. Data analysis included computation of descriptive statistics (means and frequencies) and chi-square analyses. Responses to open-ended items were analyzed and interpreted qualitatively, through inductive content analysis and analyst-constructed typologies (Patton, 1990).

Of the 385 participating programs, 345 (89.6%) were vendored by public funding agencies to assist individuals with a significant disability successfully maintain competitive employment through extended supported employment services. This group constituted the respondent pool for additional questions related to extended services.

Scope of Extended Services

The mean extended services caseload was 27 individuals from an overall mean average supported employment caseload size of 47.6 consumers. Respondents were asked to identify the primary staff person providing extended services. Respondents most frequently identified the job coach/employment specialist who made the placement (56.2%), followed by a designated staff person (24.3%) and any available job coach/staff person (17.7%). A very small percentage (1.8%) of respondents indicated that their agency utilized individuals from outside the agency to provide follow-along services.

To determine the approximate percentage of consumers receiving more than minimal levels of extended services, respondents were requested to estimate the percentage of their consumers who typically received more than two extended service contacts per month. On average, 41% of the individuals in extended services received more than two follow-along contacts per month by staff of these agencies with a range from 0% to 100%.

Respondents were asked to identify up to three primary reasons extended services are needed for consumers. As shown in Table 2 below, respondents indicated a broad array of consumer needs which required provision of extended services. Monitoring of work performance was identified far more frequently than other need, with 42.9% of respondents indicating this was a primary need. Facilitating job changes/career movement was identified as a need by 28.7% of respondents.

Table 2

Reasons Why Extended Ser-vices is Needed for Consumers

(n = 345)

Reasons for Providing Extended Services	Percent of Agencies
Monitor Work Performance	42.9%
Facilitate job changes/career movement	28.7%
Crisis intervention	19.1%
Monitor socialization, integration	15.4%
(Continued)	

Reasons for Providing Extended Services	Percent of Agencies
Support/training for employer/ coworkers	14.8%
Retraining in previously learned skills	13.9%
Assess job satisfaction	12.8%
Training in new skills	11.0%
Support to family or others	8.4%
Assess employer satisfaction	5.8%

Funding Sources for Extended Services

Responde nts were requested to identify their primary funding source for extended services. In contrast with time-limited services where VR agencies are the predominant funding agency, extended services are funded through a variety of sources, including state mental retardation or developmental disabilities agencies (27.2%), mental health agencies (20.7%), other state/local public agencies such as labor or health (18.4%), and the VR agency itself (11.2%).

Extended services funding was also drawn from the Medicaid Home and Community Based (HCB) Waiver, with 9.5% of respondents reporting this as their primary funding source. All other funding sources represented only 3.8% of re-sponses to this item. A substantial portion of re-spondents (9.2%) did not have funding agreements for extended services, but reported that on-going services were funded by subcontract funds, as for work crew and enclave contracts, or from other facility revenues such as case management funds.

Funding Mechanisms for Extended Services

Respondents were also asked to identify the primary method by which they were reimbursed for providing extended services, with responses cate-gorized in Table 3 on the following page. Three extended services funding categories emerged: (1) fee for service agreements (27.3% of respondents); (2) contractual or slot-based agreements (44.3%); and (3) other funding methods (28.4%), which included overhead costs built into work contracts, grant-funded services, absorption of costs by other facility budgets, and other unique agreements. A second key factor that emerged was whether payment rates were fixed or negotiated. Brief descriptions of these methods and response rates of each follows.

Fee for service agreements. Fee for service alternatives in supported employment establish a time specific fee rate for a defined service. The vendor receives payment of an agreed upon fee amount for the specific intervention time for which an employment specialist is engaged in providing services to a specified individual with a disability. This method breaks down the unit of service into small increments, frequently an hour, and tracks the length/intensity of service provided to participants.. Fee for service alternatives in supported employment establish a time specific fee rate for a defined service. The vendor receives payment of an agreed upon fee amount for the specific intervention time for which an employment specialist is engaged in providing services to a specified individual with a disability. This method breaks down the unit of service into small increments, frequently an hour, and tracks the length/intensity of service provided to participants.

There were three main fee for service alternatives reported. In the first, a statewide fixed hourly rate, the funding agency assigns a set rate for a service to all vendors. The second alternative, a negotiated hourly rate based on overall program costs, establishes a vendor specific rate with probable variations in the assigned rate from vendor to vendor based on differences in program costs and/or community level cost standards. This was the fee for service alternative most frequently utilized. The third alternative, negotiated hourly rates based on need and complexity of services, usually involves an effort by the funding agency to encourage vendors to respond to the needs of underserved persons within supported employment by negotiating a higher hourly fee rate the provision of comparatively more complex services. The same core service might carry different rates for persons with severe and persistent mental illness and for persons who are considered severely mentally retarded.

Table 3

Primary Funding Methods for Extended Supported Employment Services

Funding Mechanism	Frequency	Percent
<p>I. Fee for Service Funding Alternatives (n = 94)</p> <p>Ia. Statewide fixed hourly rate for all agencies in state (35.1%)</p> <p>Ib. Negotiated hourly rate based on overall program cost (43.6%)</p> <p>Ic. Negotiated hourly rate allowing for different fees across disability groups or individual clients based on complexity of employment service needed (21.3%)</p>	94	27.3%
<p>II. Contract/Slot Based Alternatives</p> <p>Ila. Daily, weekly, or monthly rate (18.3%)</p> <p>IIb. Statewide fixed slot rate (14.4%)</p> <p>IIc. Yearly contract for specified number of slots (43.1%)</p>	153	44.3%
<p>III. Other funding methods</p>	98	28.4%

Contract/slot based agreements. These agreements define a unit of service on a daily, weekly, monthly, or annual basis. Payment to the vendor requires participation by the individual with a disability in the service for that defined unit. In contrast to the hourly fee, units of service in these agreements are not designed to track intensity of services provided at an individual participant level. Here, contracts or service agreements for multiple units of services to a specified number of individuals are the typical funding mechanism in contrast to the individual participant service authorizations used with the hourly fee method.

Four different contract/slot based alternative methods were used by respondents. Agreements based on daily, weekly or monthly units of service involve reimbursement for the participation of identified supported employees in the service for the time frame defined by the unit. The second method, statewide fixed slot rates, required the vendor to establish and support a defined number of supported employment service slots. Payment is not tied to specific individuals served, but to maintaining fully occupied service slots, with all vendors in the state receiving the same rate. Negotiated slot rates differ from the statewide fixed slot rate approach only in that rates for the same service vary from vendor to vendor based on identified costs and/or community level rate standards. The final (and most frequently employed) method was yearly contracts for a specified number of units of service or slots where the funding agency sets a contracted annual target service level with the vendor, i.e., the funding agency might contract for a specific number of successful supported employment placements. The vendor agency is then responsible for organizing its resources during the contract year for achieving these placements.

Other funding methods. Primary use of other funding methods was identified by 28.4% of the respondents. Examples of other extended service funding methods reported by respondents include use of subcontract revenues to provide extended services to consumers in group options, programs receiving grant-funded start-up funding, and agencies absorbing extended service costs from other revenue sources without formal agreements. Primary use of other funding methods was identified by 28.4% of the respondents. Examples of other extended service funding methods reported by respondents include use of subcontract revenues to provide extended services to consumers in group options, programs receiving grant-funded start-up funding, and agencies absorbing extended service costs from other revenue sources without formal agreements.

Impact of Funding Method on Service Quality

To study the potential impacts of these different funding methods on delivery and management of extended services, respondents were asked whether their primary funding method: (1) allowed payment of sufficient attention to consumer choices, such as decisions about job changes; (2) discouraged replacement of someone in supported employment who lost their job; and (3) discouraged movement of participants and resources from segregated employment to community based employment. Respondents reporting primary use of other funding methods are not reported because of the variability of the responses in this category.

Table 4 presents the rate of affirmative responses across all funding methods to each of the three questions. On key questions regarding conversion of resources, 40% of the respondents indicated their primary funding method did discourage movement from segregated services to community based employment. About three-fourths (74%) of the respondents indicated their primary funding method allowed for sufficient attention to consumer choice. Chi-square tests (see Table 5 on the following page) found statistically significant differentiation among the impact of funding methods for two of the three questions, as described below.

Allowing sufficient attention to consumer choices. The statistical differentiation among responses to this question was most significant for vendors utilizing a statewide fixed hourly rate. Their positive response rate of 53.3% was significantly lower than for the other funding methods ($\chi^2 [7,345]=14.5, p<.05$). Reimbursements through fixed hourly rate were viewed as least supportive of consumer choice. As a group, the response rates for negotiated rate options were consistently more positive than for statewide fixed rate options. The statistical differentiation among responses to this question was most significant for vendors utilizing a statewide fixed hourly rate. Their positive response rate of 53.3% was significantly lower than for the other funding methods ($\chi^2 [7,345]=14.5, p<.05$). Reimbursements through fixed hourly rate were viewed as least supportive of consumer choice. As a group, the response rates for negotiated rate options were consistently more positive than for statewide fixed rate options.

Table 4

Impact of Funding Method on the Delivery of Extended Supported Employment Services

Impact of Primary Funding Method	Overall Yes Response

Allows payment of sufficient attention to consumer choice	74.0%
Discourages replacing someone who loses his or her job	16.7%
Discourages willingness to move clients and resources from segregated to community-based employment	40.0%

Discouraging movement to community based employment. Of the 345 respondents that provided extended services, the 235 that operated programs offering segregated services responded to this question. Providers funded by a statewide fixed hourly rate indicated that this funding method discouraged movement from segregated services to community based employment at a significantly higher rate (61.5%) than other funding methods. In contrast, the negotiated slot rate method discouraged resource reallocation at a significantly lower rate (12.5%) than other funding methods ($c^2[7,235] = 20.9, p < .01$). The response rates for providers under negotiated rate options were consistently more positive in supporting conversion than those providers under statewide fixed rate options.

Impact of Funding Source on Service Quality

Responses to the above questions were also analyzed by funding source, using the primary sources identified previously (i.e., state mental retardation/developmental disability agency, mental health agency, state VR agency, other state agencies, and Medicaid HCB Waiver), again through chi-square analysis. One significant finding emerged (see Table 6). Respondents funded primarily through HCB Waivers were more likely to respond that using this source for extended services funding did not discourage them from moving consumers and resources from segregated to community-based employment, while those funded primarily by the state VR agency were more likely to indicate that the funding source did discourage them from moving consumers and resources to community-based employment ($c^2[4,206] = 18.6, p < .001$).

Table 5

Impact of Funding Method on the Delivery and Management of Extended Supported Employment Services

Type of Agreement	Allows time to pay sufficient attention to consumer choices	Discourages movement of clients and resources to community based employment
Statewide hourly rate	53.3%	61.5%
Hourly rate based on overall program cost	75.6%	30.0%
Negotiated hourly rate based on complexity of services	85.0%	27.8%
Daily, weekly, or monthly rate	63.0%	54.2%
Statewide fixed slot rate	63.6%	38.5%
Negotiated slot rate	83.8%	12.5%
Yearly contract for specified number of slots	81.3%	47.8%

Other funding methods	74.4%	43.5%
F Score for Responses	14.5*	20.9**
	* $p < .05$	** $p < .01$

Recommendations for Changes in Extended Services Funding

Each respondent was also asked to identify up to three changes or recommendations they would make to their extended services funding to improve the quality of services. The most frequently indicated areas were: open up more funding sources for extended services (28.7%), expand types of services funded as extended services (15.4%), and increase fee-for-service amounts (11.3%).

As stated previously, extended services are a defining characteristic of supported employment and the need for extended services is the defining characteristic of the program's target population. This investigation is an initial attempt to identify current practices and perceptions of providers of extended services with regard to this essential service component.

Table 6

Respondents Indicating that Funding Source Discourages Movement of Consumers and Resources to Community-Based Employment

State mental retardation/developmental disability agency	50.0%
State mental health agency	27.5%
State vocational rehabilitation agency	58.3%
Other state agency	47.9%
Medicaid Home and Community-Based Waiver	47
	14.4%
F Score for Responses	20.9**
*** $p < .001$	

One of the logistical difficulties faced by supported employment providers is the need to continually initiate new placements while maintaining previously placed individuals. This is no small task, considering the finding from this study that extended services cases represented approximately 57% of the average agency's supported employment caseload. Adding to this logistical difficulty is that in most agencies the staff member making the placement is also responsible for extended services, thereby limiting his or her time to devote to new consumers. Fewer agencies reported that they had an employment specialist designated to provide extended services. While this option might be more efficient, it requires a trade-off of familiarity and comfort between the consumer, employer, and the employment specialist who provided the initial training.

In recent years, the use of "natural supports," i.e., family, friends, coworkers, supervisors, and others, has been embraced by the field (Butterworth, Whitney-Thomas, & Shaw, 1997; Hagner, 1995; Kiernan, Schalock, Butterworth, & Sailor, 1993; West, Kregel, Hernandez, & Hock, in press) and endorsed by the 1992 Rehabilitation Act Amendments as an extended service option. Increasing the capacities of coworkers and supervisors to provide essential supports can alleviate some of the logistical problems associated with maintaining consumers in extended services while initiating services to new consumers. Yet, when asked to identify the primary reason that extended services were provided, only 14.8% of respondents indicated that coworker or supervisor support and/or training was one of their three primary reasons, with substantially more frequent responses for employment specialist-delivered services, such as monitoring work performance and socialization, and crisis intervention. This seeming disparity may signal that natural supports in the workplace are being inadequately developed by provider agencies or may be inadequate for achieving long-term job maintenance with individuals with extensive support needs. Maximizing the use and effectiveness of natural supports for supported employment consumers is undoubtedly an area in which providers are in need of technical assistance and practical research.

Additionally, career development and self-determination of individuals with disabilities have received much attention in the rehabilitation literature and service delivery (Pumpian, Fisher, Certo, & Smalley, 1997). However, these areas were not widely reported as an extended service need. Facilitating job changes and career movement, although the second most frequently reported activity, was reported by only 28.7% of respondents. Also reported infrequently were assessment of job satisfaction (12.8%) and training in new skills (11.0%), perhaps indications that career development and self-determination are being given far less attention in extended services than maintaining individuals in their current positions.

A significant finding of this investigation is that approximately six of ten extended service recipients received only the minimum levels of service, that is, two job maintenance contacts per month. Respondents' estimates for this item were highly variable, ranging from 0% (i.e., no one gets more than the minimally required level of follow-along support) to 100% (everyone receives more than the minimal level). Approximately one-fourth (25.5%) of all respondents indicated that 25% or less of their consumers received more than two contacts per month and 37.7% indicated that 75% or more received more than two contacts.

In establishing the minimal service criteria, the Rehabilitation Services Administration (RSA), which has oversight of state VR services, recognized the need of many individuals with severe disabilities to receive ongoing support to maintain competitive employment. The data from this study suggest that supported employment providers show remarkably diverse degrees of endorsement for the program's mission of serving those with the most extensive and challenging support needs.

Although state mental retardation/developmental disability and mental health agencies were the primary sources of extended service funds, respondents used a broad spectrum of funding sources and methods for extended services. Other primary sources included state VR agencies, state departments of health or labor, private non-profit sources, and other sources. A sizable proportion (9.2%) reported that they had no formal agreements for funding extended services but used subcontract revenues, case management funds, or other internal methods to absorb the costs of extended services.

In addition to mental retardation, developmental disabilities, mental health, and other state agencies, 9.5% of agencies reported that their primary source of extended services funding was through Medicaid HCB Waiver programs. These funds can only be used for providing supported employment to a very limited and clearly defined group of individuals who meet funding restrictions imposed by Medicaid policies, i.e., a history of institutionalization (which is imposed on no other HCB Waiver-funded service) and inability to access services through primary agencies (the VR system). Given the restrictive nature of this funding source, the number of agencies using it as a primary source for extended services is substantial. Removal of one or both of these restrictions would be a factor in bringing more facility consumers into supported employment.

Contractual or slot-based agreements were the primary method of reimbursing agencies for providing extended services, reported by 44.3% of respondents. Fee for service agreements were reported by 27.3% of agencies, with other funding methods used by 28.4% of the respondents. This latter response rate reflects the sometimes non-traditional or patchwork funding arrangements used for extended services. In a related study on time limited services, only 10.8% of the respondents indicated primary use of funding methods other than fee for service or contract/slot based funding (Revell, West, & Cheng, in press).

Perhaps the most significant findings of the study relate to the impact of funding methods and sources on service quality, particularly consumer choice and movement from segregated to community based services. There has been much speculation regarding this interrelationship of these variables (c.f., Mank, 1994; Wehman & Kregel, 1995; West, 1995), but no empirical validation. In this study, respondents who were reimbursed using state-wide fixed hourly rates indicated that their funding method (1) was less responsive to consumer choice and (2) discouraged movement of consumers and resources from segregated to community based programs.

With regard to consumer choice, the Rehabilitation Act Amendments of 1992 emphasize the importance of consumer choice in the establishment of job and career goals and the selection of services. Vendors of extended services have a responsibility to respond positively to choices made by consumers and particularly those regarding job changes, an essential component of career development (Pumpian et al., 1997). However, the use of fixed hourly rates may present financial disincentives for providers in assisting individuals to make voluntary job changes for the purpose of career advancement or simply locating a better job match.

With regard to movement from segregated programs to supported employment, the Rehabilitation Act unambiguously endorses competitive employment as the option of choice for all individuals regardless of the extent of their disabilities. Yet supported employment staffing and consumers remain small in comparison to segregated, facility-based services (McGaughey et al., 1995; McGaughey et al., 1993). The staff and funds currently committed to supporting center based, work related services segregated from the competitive labor force represent a substantial potential resource for expanding supported employment opportunities (West, Wehman, & Revell, in press). Funding methods are needed that encourage and support service providers to expand community based service capacity. For example, flexible rate systems can be designed to cover excess costs to providers for serving individuals with more intensive support needs or employment barriers, or provide incentives for assisting consumers to achieve more positive outcomes in terms of job choice, wages, benefits, and integration.

The findings of this study, as do those from a similar investigation of VR-funded time limited services (Revell et al., 1997), confirm that negotiable rate systems are preferable to fixed rate systems in encouraging this expansion. Negotiated rates give consideration to differences across providers, communities, consumers, and outcomes, such as the scope of services provided under the hourly rate; staff expertise; past success rates in terms of consumer salaries and benefits, retention, or satisfaction with services; problems encountered in serving consumers in rural areas; and the types or levels of support needs of consumers. Also, in many states, extended services are reimbursed at the same levels as for facility-based services funded under the same authority. When providers are able to negotiate higher rates for services with more valued outcomes such as community based employment, they will be more likely to expand those options for their consumers. These conclusions were echoed by the survey respondents who were requested to make recommendations for changes to the extended services funding system. Their responses reflect the perceived need for

additional funding options and reimbursement amounts as well as increased flexibility in the freedom providers have in delivering extended services.

Finally, the study found that those agencies which received primary funding for extended services through Medicaid HCB Waivers responded more positively regarding movement of consumers from segregated to community-based options, while those funded primarily through the state VR agency were more discouraged. As mentioned previously, HCB Waiver funds can be used to fund supported employment for a narrowly defined segment of potential consumers, but can also be used to fund segregated day support programs. VR funds separate from those appropriated under the Rehabilitation Act are sometimes used to fund extended services for individuals or groups for whom there are no existing funding sources. Further research is needed in state-level policies for using both HCB Waiver and VR funds for extended services, and how provider agencies utilize those sources.

This investigation has provided insight into current practices and methods used to provide and fund extended services in supported employment. The key findings suggest that provider agencies are underutilizing natural support networks within consumers' workplaces for essential extended support needs. Additionally, few agencies indicated that career development and consumer satisfaction are a primary focus of extended services. The majority of consumers (six of ten) were found to be receiving only the minimal level of extended services contacts.

Several key findings were related to funding issues. Providers who were able to negotiate rates for extended services responded more positively to questions regarding the relationship of funding method to (1) attention to consumer choice and (2) movement of consumers and agency re-

sources to community-based employment. This finding suggests that initiating flexible rate schedules based on consumer, provider, or community variables may be an important and effective strategy for promoting systems change from segregated to integrated services, and for achieving the goals of the Rehabilitation Act for consumer self-determination and competitive employment as the option of choice for all.

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