

ACL's Disability & Aging Networks

Partners in Expanding Medicaid Home and Community-based Services

Use of American Rescue Plan Section 9817 Funds to Promote Employment for People with Disabilities

An Opportunity for States to Increase Access to Competitive Integrated Employment

Employment is a critical part of community inclusion for people with disabilities.

Employment in integrated settings at competitive wages offers a direct pathway to greater independence and self-sufficiency, and employers benefit from a larger and more diverse talent pool when hiring.

[The American Rescue Plan](#) (ARP), proposed by President Biden and passed by Congress, provides states with a temporary 10% increase in federal funding to enhance, expand, or strengthen home and community-based services (HCBS) under the Medicaid program. This “Federal Medical Assistance Percentage (FMAP) bump,” an estimated \$12.7 billion, offers states a rare opportunity to promote and support **competitive integrated employment for people with disabilities**.¹

With extensive experience and expertise in supporting people with disabilities and older adults in their communities and eliminating barriers to inclusion and health equity, ACL's networks are important partners for states as they put their plans into action. This fact sheet includes state examples and resources to support those partnerships and facilitate sharing of information across states.

¹ Competitive integrated employment refers to work that is (1) performed on a full-time or part-time basis (including self-employment) and for which an individual is compensated at a rate that (a) is not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate required under the applicable state or local minimum wage law for the place of employment, (b) is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills, (c) for self-employed individuals, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills, and (d) is eligible for the level of benefits provided to other employees; (2) at a location (a) typically found in the community, and (b) where the employee with a disability interacts for the purpose of performing the duties of the position with other employees within the particular work unit and the entire work site, and, as appropriate to the work performed, other persons (e.g., customers and vendors), who are not individuals with disabilities (not including supervisory personnel or individuals who are providing services to such employee) to the same extent that employees who are not individuals with disabilities and who are in comparable positions interact with these persons; and (3) presents, as appropriate, opportunities for advancement that are similar to those for other employees who are not individuals with disabilities and who have similar positions

Requirements to Utilize American Rescue Plan Section 9817 Funds

States began receiving the enhanced funds April 1, 2021, and have until March 31, 2024, to expend the funds in full on activities aligned with the goals outlined by the ARP. In addition, states must comply with the following program requirements to receive the increased 10% FMAP for HCBS expenditures:

1. Increased FMAP funds must be used to supplement, not supplant², existing state funds expended for Medicaid HCBS in effect as of April 1, 2021.
2. States must use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.
3. States may not eliminate covered services or reduce the amount, duration, or scope of those services, and they may not impose stricter eligibility requirements for HCBS programs and services than were in place on April 1, 2021 or reduce provider payments.

CMS' [State Medicaid Director letter](#) provides specific guidance for implementing these requirements. 9817 funds may also help [bolster state home and community-based services](#) and may also assist states and providers to comply with their obligations under the Home and Community-Based Settings Rule.

In 2021 states submitted spending plans describing how the funds would be leveraged using Centers for Medicare & Medicaid Services (CMS) [guidance](#). In these [spending plans](#), many states proposed developing new or strengthening existing initiatives to increase access to competitive integrated employment for people with disabilities. **For example:**

- **Arizona** proposed to enhance the Arizona Disability Benefits 101 website to provide additional information/resources (on budgeting, calculating expenses, and more) for members who wish to enter the workforce.
- **Colorado** proposed to extend and expand the supported employment pilot to allow for additional data collection to determine if expanding incentive-based payments for supported employment services within the waivers is cost-effective and produces positive outcomes.
- **Georgia** proposed to provide support to people with disabilities transitioning from school to competitive integrated employment.
- **Minnesota** proposed to establish a task force to work to phase out the use of subminimum wage for people with disabilities and to establish grants to support the transition. Grants will be awarded to:
 - » Service providers to implement business plans that shift away from subminimum wage.
 - » Providers that have successfully transitioned to jobs with competitive wages to mentor other providers.
 - » Organizations to support peer-to-peer support for people with disabilities and outreach and education to families.

² This means that states cannot use the additional federal funding instead of state funds; the funds must be used in addition to the state's own investments.

- **North Carolina** proposed to implement competitive integrated employment training programs for working age beneficiaries through job coaching, support strategies, entrepreneurship opportunities, and more.
- **Wisconsin** proposed to invest in a model of care that supports individuals with disabilities in finding and retaining work in competitive integrated employment.
- **Wyoming** proposed to increase supported employment services available to Developmental Disabilities and Community Choices Waiver participants. Services will be added to support individuals who choose to work or will be revised to establish how a participant can request funding for supported employment.

Other Resources and Opportunities to Enhance Competitive Integrated Employment

- [Multiagency Fact Sheet: Recent Funding Opportunities to Expand Access to CIE](#) In 2021, The Department of Labor's Office of Disability Employment Policy (ODEP) released a multiagency fact sheet on funding opportunities to expand access to competitive integrated employment for youth and adults with disabilities.
- [ACL's Disability Employment Technical Assistance Center](#) The Disability Employment Technical Assistance Center (DETAC) provides ACL's Administration on Disabilities (AoD) grantees with the tools and resources they need to more effectively help individuals with disabilities achieve meaningful employment with competitive wages in integrated settings.
- [Employment Resources for States and Policymakers](#) ACL's Employment webpage highlights resources for states and policymakers looking to promote employment for people with disabilities.
- [Medicaid Employment Initiatives](#) CMS' webpage providing resources to support meaningful work for individuals with disabilities including how to ensure Medicaid community-based services and supports align with the HCBS settings rule.
- [Medicaid HCBS Waiver Instructions and Technical Guidance regarding Employment](#) This CMS Informational Bulletin provides guidance clarification of development and implementation of §1915 (c) Waivers regarding employment and employment related services.

