

# CONSUMER DIRECTION AS JOBS PROGRAM

## Matching Welfare to Work Participants with the Nation's Leading Growth Industry

By Heather Green and Jill Reynolds, Public Consulting Group, Inc.

**Summary:** Consumer-directed care programs, also known as participant-directed or self-directed programs, have grown dramatically since 2000. These programs, which take varying forms, give consumers (and in some cases their families) control over the services they receive. The growth in consumer choice is an extension of the decades-long shift of both health care and human services towards a deinstitutionalized model of community-based care. Though traditionally associated with disabilities-related services, consumer direction has grown beyond that sector and now represents a promising and popular model for improving outcomes in other priority areas for state and local governments, including job placement programs for Welfare to Work participants.

# CONSUMER DIRECTION AS JOBS PROGRAM

---

## GETTING TO CONSUMER DIRECTION

Over the past several decades, health care and human services alike have moved towards a deinstitutionalized model of care. In the early 1980s, hospitals were forced to begin thinking about shortening the lengths of stay for patients due to the introduction of the Diagnostic Related Groups for their inpatient Medicare consumers. As the industry and patients became accustomed to this trend and the continued downward pressure on costs became the norm, alternative care settings and community support networks became more established. Recent initiatives like the Money Follows the Person demonstration program of the Affordable Care Act have pushed community-based care even further, and consumer-directed programs are a substantial part of this trend. These programs have been shown to be cost-effective compared to institutional alternatives, making them attractive to states facing tough budgeting environments.

Today, every state in the country has a consumer-directed program for at least one service population; most have more than one. The number of programs has grown from just 30 at the end of the 1990s to approximately 240 nationally serving about 747,000 participants. The expansion of these programs is expected to continue as legal, regulatory, and policy changes have reinforced the requirement to prioritize consumer choice in community-based care. Consumer direction may have gotten started in the service of individuals with disabilities, but such programs now serve a broad spectrum of populations, including children with autism spectrum disorder diagnoses, persons living with HIV/AIDS, the elderly, veterans and mental health populations.

In a consumer-directed program, the client effectively becomes the employer of service providers that meet his/her individual needs, adjusting the mix of services as they develop over time. These programs are grounded in the ideals of dignity, independence, and individuality. There are two principal models: Employer Authority, wherein the consumer hires attendants based on a fee schedule, and Budget Authority, wherein the consumer receives a monthly budget that he or she manages and uses to purchase goods and services. Often a Fiscal/Employer Agent, typically a private company, is brought in to provide financial management services and other administrative and operational support functions. The flexibility and customer-centric approach of these programs have made them enormously popular; over 90 percent of people who have participated in the country's largest consumer-directed services program were satisfied and would recommend it to a friend.

## CONSUMER DIRECTION AND THE FUTURE OF HUMAN SERVICES

States like Virginia have recognized the importance of consumer directed services for both consumers and the economy. In that state alone over 25,000 workers are employed through the program annually.

The Virginia example is telling in that it demonstrates how consumer-directed programs hold great promise not only for the client-employers who benefit from being able to control their own service, but also for the persons they employ as personal care attendants, therapists, and in-home aides, among many others. According to the most recent U.S. Bureau of Labor Statistics' Occupational Outlook Handbook and Career Guide to Industries, the two fastest-growing careers in the country will be personal care aides and home health aides<sup>1</sup>. Combined, these industries represent a projected 1.3 million new jobs<sup>2</sup>. It is worthwhile for public agencies to find efficient ways of matching Welfare to Work job seekers with these booming industries, promoting self-sufficiency and positively impacting state work participation rates.

The jobs available through a consumer-directed care program are relatively accessible in terms of the skills and training required, which makes them a natural fit for many Welfare to Work participants. Typical tasks for an attendant, for example, include homemaker activities and personal care services. These jobs provide opportunities for certification and therefore a chance to demonstrate reliability and to develop a meaningful work history in an area that is comfortable for many, even without previous or extensive professional experience. Matching Welfare to Work participants with consumer-choice-related positions helps those employed to move towards self-sufficiency and also has a positive effect on the state's work participation rate.

In Colorado, a pilot effort to create opportunities to employ participants in the state's Welfare to Work program Colorado Works as attendants through the Consumer-Directed Attendant Support Services program is currently being designed. In this pilot, the local Colorado Works agency will identify potential attendant candidates from its active caseload. This identification will be based on a screening process to filter out persons with conflicts in their histories or other barriers to employment as an attendant. Appropriate candidates will receive necessary training and assistance with administrative paperwork, and once that is complete, they will be added to an employee registry with the state's existing Fiscal/Employer Agent, who already has connections to the self-directing service population.

---

<sup>1</sup><http://www.bls.gov/ooh/fastest-growing.htm>, April 19, 2012.

<sup>2</sup><http://www.bls.gov/ooh/most-new-jobs.htm>, April 19, 2012.

# CONSUMER DIRECTION AS JOBS PROGRAM

---

## REALIZING THE POTENTIAL OF CONSUMER DIRECTION FOR WELFARE TO WORK

As public agencies increasingly recognize the popularity, effectiveness, and cost savings of consumer choice programs' tailored service model and seek to expand into additional service areas, those same agencies must consider issues of implementation and quality assurance.

One of the biggest operational challenges for public agencies will be figuring out how best to connect their systems of job placement with their systems of care. Bridging the gap between the Welfare to Work program records, which track eligibility and work status of potential employees, and the consumer-directed services programs where they could find work is a crucial but non-obvious ingredient for success.

Highly competent day-to-day management of fiscal operations, payroll, and tax functions is critical to a consumer-directed services program because there are so many individuals involved and so many moving parts. Third-party Fiscal/Employer Agents provide these services, and they may also provide information management systems, as well as the expertise to help connect their systems with existing state or county systems. There are also Agencies with Choice, a more centralized model, in which the Agency functions as a primary employer of workers who then provide services to the consumer.

Because consumer-directed services often involve interaction in a private domestic setting and can involve physical contact between service provider and recipient, oversight and quality assurance are of the utmost importance. The third-party agencies discussed above can offer valuable screening, training and QA services, and quality rating mechanisms such as scorecards or public reviews can also be helpful. In addition, establishing mechanisms for alerts and solicitation of feedback from consumers/employers can foster a sense of security for them.

## CONCLUSION

As the field of human services continues to embrace a more customer-centric approach to service delivery, it is expected that demand for and utilization of consumer-directed programs will continue to grow, as will the demand for workers to fill the corresponding support roles. Through appropriate linkages, oversight, training and support, the Welfare to Work system can develop job opportunities for its clients, improving their self-sufficiency, lowering unemployment and improving state work participation rates.



148 State Street, Tenth Floor  
Boston, Massachusetts 02109  
tel: (800) 210-6113

[www.pcghumanservices.com](http://www.pcghumanservices.com)