The HCBS Final Rule on Control of Personal Resources: Strategies and Tools to Build Financial Capability

APSE 2017 National Conference
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TODAY’S SPEAKERS

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The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by National Disability Institute with funding from the U.S. Department of Labor’s Office of Disability Employment Policy, Grant No. #OD-23863-12-75-4-11.

This document does not necessarily reflect the views or policies of the U.S. Department of Labor’s Office of Disability Employment Policy, nor does the mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.
LEAD CENTER MISSION

➢ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.

www.leadcenter.org
OBJECTIVES

Participants will learn about:

- The CMS HCBS Final Rule as related to “control of personal resources”;
- The role of service providers, parents, supports, and self-advocates;
- Just-in-time moments to teach an individual about their money, (during a job search, collecting a first paycheck, and/or transitioning from school);
- Opportunities to improve collaboration with non-disability partners and integrate financial capability strategies into a range of services.
HCBS Final Rule:
QUICK INTRODUCTION TO THE INTENT & KEY HIGHLIGHTS OF THE HCBS FINAL RULE
INTENT OF THE FINAL RULE

➢ To ensure that individuals receiving long-term care services and supports through home and community based service (HCBS) programs under the 1915(c), 1915(i) and 1915(k) Medicaid authorities have full access to benefits of community living and the opportunity to receive services in the most integrated setting appropriate

➢ To enhance the quality of HCBS and provide protections to participants
HOME AND COMMUNITY-BASED SETTING REQUIREMENTS

- The home and community-based setting requirements establish an outcome oriented definition that focuses on the nature and quality of individuals’ experiences.

- The requirements maximize opportunities for individuals to have access to the benefits of community living and the opportunity to receive services in the most integrated setting.
HOME AND COMMUNITY-BASED SETTING REQUIREMENTS (2)

Home and Community-Based settings:

- Are integrated in and support access to the greater community
- Provide opportunities to seek employment and work in competitive integrated settings, engage in community life, and control personal resources
- Ensure the individual receives services in the community to the same degree of access as individuals not receiving Medicaid home and community-based services
HOME AND COMMUNITY-BASED SETTING REQUIREMENTS (3)

- Person-centered service plans document the options based on the individual’s needs and preferences and, for residential settings, the individual’s resources.

- Optimizes individual initiative, autonomy, and independence in making life choices.

- Facilitates individual choice regarding services and supports, and who provides them.
CMS PROVIDED EXPLORATORY QUESTIONS TO ASSIST STATES IN ASSESSMENT OF NON-RESIDENTIAL HOME AND COMMUNITY-BASED SERVICE (HCBS) SETTINGS

In settings where money management is part of the service, does the setting facilitate the opportunity for individuals to have a checking or savings account or other means to have access to and control his/her funds. For example, is it clear that the individual is not required to sign over his/her paychecks to the provider?
The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 (PL)113-128.

The new law took effect July 1, 2015 except for amendments to the Rehabilitation Act, which took effect on the date of enactment.
WIOA FOCUS ON FINANCIAL EDUCATION IN YOUTH AND ADULT PROGRAMS

WIOA provides guidance on the use of state funds to provide services that build customer’s financial education and financial capability.

- It is a program element for youth and allowable service for adults to support financial literacy, including an individual’s ability to:
  - create household budgets, initiate savings plans, and make informed financial decisions about education, retirement, home ownership, wealth building, or other savings goals;
  - effectively manage spending, credit, and debt, including credit card debt;
  - understand the availability and significance of credit reports and credit scores in obtaining credit, including determining their accuracy (and how to correct inaccuracies in the reports and scores), and their effect on credit terms; and
  - understand, evaluate, and compare financial products, services, and opportunities

- WIOA supports activities that address the particular financial literacy needs of non-English speakers.
WIOA FOCUS ON FINANCIAL EDUCATION IN YOUTH PROGRAMS

- WIOA ensures youth with disabilities will receive extensive pre-employment transition services so they can successfully obtain competitive integrated employment.
- Supports disconnected youth, of which youth with disabilities comprise a high percent, by:
  - Requiring local areas to increase the percentage of youth formula funds used to serve out of-school youth to 75% (up from 30% under WIA).
  - Requiring local areas to spend at least 20% of youth formula funds on work experience activities.
  - Providing additional allowable activities including financial literacy education and entrepreneurial training.
WHY IS FINANCIAL EDUCATION NEEDED?
FDIC NATIONAL SURVEY OF UNBANKED AND UNDERBANKED HOUSEHOLDS
Households with disability more likely to be unbanked or underbanked.
HOUSEHOLD CHARACTERISTICS

Important differences by race, education and income. Disparities exist among all household types.

<table>
<thead>
<tr>
<th>Household Characteristic</th>
<th>Unbanked</th>
<th>Underbanked</th>
<th>Fully Banked</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Disability</td>
<td>No Disability</td>
<td>With Disability</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>35</td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td>Hispanic</td>
<td>20</td>
<td>17</td>
<td>31</td>
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<tr>
<td>White</td>
<td>11</td>
<td>2</td>
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<tr>
<td>Education</td>
<td></td>
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</tr>
<tr>
<td>No High School Degree</td>
<td>31</td>
<td>29</td>
<td>28</td>
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<tr>
<td>College Degree</td>
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<td>1</td>
<td>24</td>
</tr>
<tr>
<td>Family income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $15,000</td>
<td>32</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>$15,000 to $30,000</td>
<td>15</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>$30,000 to $50,000</td>
<td>9</td>
<td>6</td>
<td>29</td>
</tr>
<tr>
<td>$50,000 to $75,000</td>
<td>3</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>At least $75,000</td>
<td>1</td>
<td>0</td>
<td>21</td>
</tr>
</tbody>
</table>
Banked households with disability are more likely to have just checking account rather than checking and savings accounts.
USE OF MOBILE/INTERNET

Households with disabilities less likely to use mobile and internet banking options, even when they have the technology.

- **Owns Smart Phone**
  - With Disability: 34
  - No Disability: 46

- **No Smart Phone**
  - With Disability: 3
  - No Disability: 8

- **Internet Access at Home**
  - Accesses Account on Mobile: 64
  - No Internet Access: 77

- **No Internet Access at Home**
  - Accesses Account on Internet: 10
  - No Internet Access: 26
ALTERNATIVE FINANCIAL SERVICES (AFS)

Households with disability more likely to use transaction and credit AFS.

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>With Disability</th>
<th>No Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction AFS</td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td>Money Orders</td>
<td>27</td>
<td>15</td>
</tr>
<tr>
<td>Check Cashing</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Remittances</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Credit AFS</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Pawn Shops</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Rent-to-Own</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Payday Loans</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Refund Anticipation Loans</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Auto-title Loans</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
# Saving for Unexpected Emergency

<table>
<thead>
<tr>
<th>Household Characteristic</th>
<th>With Disability</th>
<th>No Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>Employment status</td>
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<td></td>
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<tr>
<td>Employed</td>
<td>59</td>
<td>64</td>
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<tr>
<td>Unemployed</td>
<td>49</td>
<td>43</td>
</tr>
<tr>
<td>Not in labor force</td>
<td>32</td>
<td>53</td>
</tr>
<tr>
<td>Family income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $15,000</td>
<td>23</td>
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<td>35</td>
<td>43</td>
</tr>
<tr>
<td>$30,000 to $50,000</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>$50,000 to $75,000</td>
<td>57</td>
<td>65</td>
</tr>
<tr>
<td>At least $75,000</td>
<td>71</td>
<td>75</td>
</tr>
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</table>
Households with disabilities were less likely to keep their savings in a savings account and more likely to keep savings at home or with family and friends.
TRANSACTIONS - METHODS TO PAY BILLS

Households with disability:

- Less likely to use
  - Electronic payment from bank (46 v 71)
  - Personal check (46 v 59)

- More likely to use
  - Cash (29 v 17)
  - Nonbank money order (17 v 7)
Almost half of households with disability have NO Credit.

<table>
<thead>
<tr>
<th>With Disability</th>
<th>No credit</th>
<th>Nonbank credit only</th>
<th>Bank and nonbank credit</th>
<th>Bank credit only</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>10</td>
<td>5</td>
<td>37</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No Disability</th>
<th>No credit</th>
<th>Nonbank credit only</th>
<th>Bank and nonbank credit</th>
<th>Bank credit only</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>4</td>
<td>4</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>
Households with disabilities are less likely to be fully banked and more likely to use Alternative Financial Services (AFS).

Even when banked, they often do not use the full range of bank services.

- Savings: 22% keep savings at home or with family/friends.
- Transactions: less likely to use electronic payment or check, more likely to use cash or money order.
- Credit: 50% have no credit.

Income, race and education interact with disability in a way that excludes people with disabilities from the financial mainstream.
TO VIEW THE FULL REPORT

Go to:

http://realeconomicimpact.org/docslisting.aspx#Ink_Reports
RESEARCH

- A report by the Annie E. Casey Foundation, who developed the evidenced-based Centers for Working Family model, shows that bundling three core services of employment, financial and income supports leads to job retention and increased monthly net income.

- A University of Wisconsin-Madison report found that staff reported training to be a financial coach had moderate to high impact on everything from working with clients to job satisfaction.
  - [http://cfs.wisc.edu/?s=workforce](http://cfs.wisc.edu/?s=workforce)

- Working Ventures report provides a host of tools and resources workforce development service providers can use to inspire confidence in their clients to conduct successful interviews and negotiate salaries and benefits, as well as equip them with necessary skills to attain employment.
RESEARCH

NDI’s LEAD Center published a report titled, “Integrating Financial Capability and Asset Building Strategies into the Public Workforce Development System”. This report highlights some of the models that AJCs have established to provide financial capability services.

THE ROLE OF SERVICE PROVIDERS, PARENTS, SUPPORTS, AND SELF-ADVOCATES

WE CAN SET JOB SEEKERS ON A DIFFERENT PATH
BELIEF IS CRITICAL

- It is essential that you believe that every individual has the potential to be a financially stable adult.
- Few people become part of the financial mainstream without someone believing they can do it.
- You might be the first person in a long time that believes this individual can be in control of their personal finances/resources.
- Your encouragement is very powerful and creates a relationship that allows for tough conversations.
START THE CONVERSATION

- Start the conversation. Don’t assume that another touch point is discussing financial literacy, budgeting or thinking about a financial future with the individual.

- Fear is a bad decision maker. It is important to encourage individuals to get the right information about their benefits before making limiting decisions.

- Don’t let your own insecurity about your finances deter you from making connections for those you serve.
HELP INDIVIDUALS THINK BEYOND EMPLOYMENT

- Employment is often THE GOAL discussed with individuals with disabilities.

- Employment is a great goal. But it’s not the ONLY goal.
SUPPORT INDIVIDUALS TO IDENTIFY AND ATTAIN THEIR “AMERICAN DREAM”

- Utilize individual dreams/goals as a key motivator to long-term employment and financial success.
- Have individuals determine what is needed to achieve their dream.
- Identify what prevents the individual from achieving their dream and what they need to overcome these barriers.
- Set action steps they will take, over what time period, and who will help.
- Have individuals determine how they will remain motivated to complete their plan.
EXPLORE INTEGRATED SERVICE DELIVERY

Integrated service delivery is the bundling of services to include two or more core areas to help an individual improve their financial health.
CORE AREAS TO CONSIDER

1. INDIVIDUAL GOAL
2. Asset Development
3. Benefits & Work Supports
4. Financial Education
5. Employment
6. Free Tax Preparation

LEAD CENTER
WHY IS INTEGRATION IMPORTANT?

For Customers:
- Increases likelihood of success because a job is not the only goal
- Increases long-term planning
- Improves economic stability

For Staff:
- Improves employment outcomes
- Reduces turnover costs
- Supports staff in program outcomes
THREE IMPLEMENTATION MODEL

*This image was provided by CFED.*
PREPARING TO INTEGRATE

- **Resource Mapping**: Identify all resources in your community that provide programs/services in building financial capability.

- **Consult with Leadership**: They likely have partners in the community already, including mandated partners, and will want to be a part of approaching new partners in this arena.

- **Develop Plan of Approach**: Decide with leadership which partners to approach, the level of partnership sought, potential resource exchange and anticipated outcomes.

- **Formalize Partnerships**: Collaborate and coordinate with new partners to integrate asset-building strategies that benefit both partners.
TAKE ADVANTAGE OF “JUST IN TIME” MOMENTS

The best time to reach an individual and teach them about their money is at a point in time when it’s needed… such as during a job search or the provision of another human service.
ANYTIME THE INDIVIDUAL IS SETTING GOALS

- What does financial security look like for the individual?
- What does financial independence look like?
- When does the person engage in risky and/or impulsive financial behavior?
- What does status mean and how does it play out in financial behavior?
- What financial goals does the person have?
- How can the individual’s financial goals be addressed in their service plan?
INTAKE – FINANCIAL HEALTH ASSESSMENT

Intake forms could include one or more of the following questions to identify the need for financial stability supports and services:

- What are your total monthly expenses?
- Do you want information or support to better understand and/or manage your money?
- Do you have a bank account?
  - If unbanked – for how long?
- Do you know your credit score?
- Do you have credit issues you’d like to fix?
- How much do you owe?
- Do you want information or support to manage your debt?
- What are your financial goals?
EMPLOYMENT PLANNING

- Discuss Budgets/Money when making employment plans.
  - What type of wage is needed to cover monthly expenses/meet their dream goal?
  - Is it reasonable the person can earn that wage?
  - If no, what are the strategies?
    - Career Pathway?
    - Augment with public benefits?
    - Decrease expenses?
    - Create a plan.

- What type of wage would cover monthly expenses and have money left over to meet financial goals (save, pay down debt, go out to dinner, etc.)?
- What will the first paycheck pay for?
**JOB OFFER - EMPLOYER BENEFITS**

- **Health Insurance.** What is the coverage and at what cost?
- **Paid Time Off.** How much time is provided (vacation/sick/holiday)?
- **Pension plan.** How much does the company contribute?
- **Life insurance.** Does the employees contribution come directly out of their paycheck?
- **Direct deposit.** Are paychecks direct deposit?
- **Pay yourself first.** Is there a provision for direct deposit into savings?
- **Disability coverage.** Does the company offer short-term and long-term disability coverage?
- **Education benefits.** Are there educational and training benefits?
- **Other.** What other fringe benefits are offered?
PAYDAY

- Bank Accounts
- Direct Deposit
- Payroll card accounts
- Reporting work to SSA
  - Work Incentives
- Payroll Taxes
TAX TIME

- Importance of Filing
- Affordable Filing Options
  - My Free Taxes - www.myfreetaxes.com
- Deciding what to do with a tax return
MAKE CONNECTIONS FOR INDIVIDUALS ON PUBLIC BENEFITS

- Individuals with disabilities who receive HCBS services and/or Social Security benefits may have income and asset limits they must abide by.

- Support the individual and their family in understanding the rules and making an informed choice about working and earning and saving money.
Work Incentive Planning Assistance (WIPA) for individuals receiving Social Security Disability benefits is an SSA-funded initiative to assist individuals on SSDI/SSI make an informed decision about working.

Community Work Incentive Coordinators (CWICs) are trained experts who will help the individual understand their federal and state benefits and how to use work incentives that may be available.

To locate the WIPA project or PABSS project nearest you, please visit:

http://choosework.net/resource/jsp/searchByState.jsp
Several protected savings opportunities are available for individuals with disabilities on public benefits who make the choice to work but face barriers to saving.

- ABLE Accounts
- Special Needs Trusts
- Pooled Trusts
- Family Self-Sufficiency programs
- Individual Development Accounts
KNOWLEDGE TO ACTION
Workforce Development/Financial Empowerment Integration Collaborative

Louisville Metro Community Services
COLLABORATIVE MEMBERS

- Kentucky Office for Vocational Rehabilitation
- Jewish Family and Career Services
- KentuckianaWorks
- Kentucky Office of Employment and Training
- Center for Accessible Living
- Coalition for Workforce Diversity
- Louisville Metro Office for Aging and Disabled Citizens
- Louisville Metro Financial Empowerment/economic Development
- Bank On Louisville
- Kentucky Department of Workforce Investment
- The Zoom Group

- Kentucky Office for Vocational Rehabilitation
- Kentucky Office for the Blind
- Goodwill Industries of Kentuckiana
- Fifth Third Bank
- FDIC
- ResCare
- Family and Children’s Place
- Louisville Metro Parks and Recreation
- Louisville Urban League
- Louisville Asset Building Coalition
- Metro United Way
- Kentucky Department for Behavioral Health, Developmental and Intellectual Disabilities
- Commonwealth Council on Developmental Disabilities
Financial Empowerment Vision
All people in our community have the knowledge, tools, and opportunities to fully participate in their quest for financial stability in a respectful culture.

Goals
• Create a common understanding of financial empowerment and challenges facing clients
• Increase staff confidence regarding financial issues
• Provide guidance on when and how to integrate financial empowerment into service delivery
• Raise awareness about sound financial education standards and practices
• Create a support system for service providers
• Expand and sustain financial empowerment efforts in our community
NEW RESOURCES

- Online Financial Capability Toolkit
- Louisville Community Financial Empowerment Resource & Referral Guide
- Kentucky Disability & Accessibility Resource & Referral Guide
- Informational Pieces
- Financial Health Assessment Tool
VALUE OF PARTICIPATION

Where would you place your agency on their financial empowerment engagement before this initiative?

Where would you place your agency's financial empowerment engagement now that you have been involved in this initiative?

<table>
<thead>
<tr>
<th></th>
<th>Center for Accessible Living</th>
<th>Goodwill</th>
<th>Jewish Family and Career Services</th>
<th>Kentuckiana Works</th>
<th>Kentucky Office for the Blind</th>
<th>Office of Voc Rehab</th>
<th>Youth Build</th>
<th>ZOOM GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before</td>
<td>3/4</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>6</td>
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<tr>
<td>After</td>
<td>6/7</td>
<td>10</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>
Employment is a source of pride, Self-sufficiency, and greater Financial Well-being.

Individual development account programs provide more than just access to the open road. They provide keys to unlocking sustainable, long-term financial well-being.

This program helps build confidence and pride for the job seeker. And confidence is an asset that gets people started along the pathway to financial well-being.

Our programs help individuals support themselves and live independently while becoming more financially responsible.
FINAL THOUGHTS

- Start with goal setting - individuals may not understand the financial system but they do understand what they want.
- Structure conversations around what the person wants in the future.
- Partner, partner, partner.
- Don’t underestimate your power to create change through encouragement.
- Reach out to us at the LEAD Center for support.
RESOURCES

- **FDIC Money Smart Train the Trainer** – free training to equip you with everything you need to teach financial education classes - [https://www.fdic.gov/consumers/consumer/moneysmart/trainthetrainer.html](https://www.fdic.gov/consumers/consumer/moneysmart/trainthetrainer.html)

- **FDIC Money Smart for Young People** – available for multiple grades - [https://www.fdic.gov/consumers/consumer/moneysmart/young.html](https://www.fdic.gov/consumers/consumer/moneysmart/young.html)

- **Hands On Banking (Wells Fargo)** - [www.handsonbanking.com](http://www.handsonbanking.com)

- **Practical Money Skills (Bank of America)** - [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

- **National Disability Institute** – e-learning courses
  - **My American Dream** - [http://ndi.elogiclearning.com/](http://ndi.elogiclearning.com/)

- **National Disability Institute – Train the trainer**
  - 2-day intensive training - [http://ndi-inc.org/asset-development/train-the-trainer](http://ndi-inc.org/asset-development/train-the-trainer)

RESOURCES ON THE ABLE ACT AND EMPLOYMENT, INCLUDING THE ROLE THAT DIFFERENT SYSTEMS CAN PLAY


Webinar on The ABLE Act: A Tool for Financial Stability and Employment Outcomes
QUESTIONS
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- YouTube: https://www.youtube.com/user/LEADCtr

Join NDI’s REI Network…

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