

# Transition to Independence Act (S.1604)

## Fact Sheet

### Overview

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This bill seeks to establish the Transition to Independence Medicaid Buy-In Option demonstration program, which will give ten Medicaid Buy-In states an opportunity to receive bonus payments for meeting benchmarks tied to expanding individual integrated employment and reducing subminimum wage work, congregate setting work, or facility-based day habilitation placement for people with disabilities who receive Medicaid-funded home or community-based services (HCBS), and for taking other actions that help expand employment opportunities for people with disabilities within the state.

### Purpose

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- Improve opportunities for people with disabilities to obtain integrated employment and reduce their relegation to subminimum wages and segregated environments;
- Modernize and coordinate systems to offer cost-effective supports and services to people with disabilities consistent with the rising expectations of and for people with disabilities; and
- Ensure that people with disabilities and their families regularly receive accurate information about and have access to services and supports that promote self-determination, independence, productivity, and integration and inclusion.

### Benchmark Summary

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#### Mandatory benchmarks

- Reduced participation in segregated programs; and
- Increased participation in individual integrated employment.

#### Other benchmarks

- Elimination of new placements of working-age individuals with disabilities receiving Medicaid-funded HCBS in subminimum wage work, congregate setting work, or facility-based day habilitation or day treatment;
- Demonstration of interagency collaboration;
- Ceasing to use vocational rehabilitation funding for subminimum wage work, congregate setting work, or facility-based day habilitation or day treatment;
- Increasing Medicaid payments for supported employment providers;
- Adoption of employment strategies to recruit, hire, and retain people with disabilities who are receiving Medicaid-funded HCBS as full-time employees of State government or government contractors;
- Development of a State equivalent of Section 503 of the Rehabilitation Act of 1973 to recruit, hire, promote, and retain working-age individuals with disabilities who are receiving Medicaid-funded HCBS with a utilization goal of 7 percent of the State government workforce;
- Development of a special hiring authority mechanism akin to the Schedule A appointing authority of the Federal Government;
- Provision of State tax credits for employers that hire new working-age people with disabilities who receive Medicaid-funded HCBS

## Additional Background

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- America's goals for people with disabilities, as articulated in the Americans with Disabilities Act (ADA) and the Individuals with Disabilities Education Act (IDEA) are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency;
- However, under current federal law (Fair Labor Standards Act), which originated in the 1930s – prior to the right of children with disabilities to a public education and long before Congress articulated the aforementioned policy goals – the Secretary of Labor may grant special wage certificates to entities that provide employment to workers with disabilities, allowing such entities to pay their workers with disabilities at rates less than the federal minimum wage;
- According to the Government Accountability Office (GAO), there are approximately 420,000 people with disabilities in this outmoded program;
- Federal courts have found that the Supreme Court *Olmstead* decision regarding the ADA's integration mandate applies to employment settings as well;
- Studies show that overwhelmingly, a majority of people with disabilities prefer employment outside of segregated settings, and that preference is not associated with severity of disability;
- Approximately 28 percent of people with disabilities live in poverty – a rate higher than any other minority group;
- Supported employment is cost-effective and cost-efficient and generates lower cumulative costs and a downward sloping cost trend over time, compared to services provided in segregated, sheltered workshop environments, where the cost-trend shifts upward over time:
  - For every dollar that funds supported employment programs, more than a dollar is returned in taxes collected and savings from benefits programs;
  - 52% of primary income of supported employment participants comes from their employment paychecks, versus from public or disability benefits;
  - Currently, four times the Medicaid dollars are spent on adult day programs and sheltered workshops than on supported employment services;
  - The costs of supported employment are between 40 and 80% of the costs of sheltered workshops or work activity centers;
  - In a ten-year longitudinal study, the earnings of participants of supported employment were 250% greater than participants of sheltered employment over a seven-year post-program period.

**Senate offices seeking to co-sponsor this legislation or who have questions on it should contact Rodney Whitlock at [rodney\\_whitlock@grassley.senate.gov](mailto:rodney_whitlock@grassley.senate.gov).**

**Questions on this legislation can also be directed to Samantha Crane, Director of Public Policy at the Autistic Self Advocacy Network, at [scrane@autisticadvocacy.org](mailto:scrane@autisticadvocacy.org).**



*The Autistic Self Advocacy Network (ASAN) is a non-profit organization run by and for autistic people. ASAN provides support and services to individuals on the autism spectrum while working to change public perception and combat misinformation. Our activities include public policy advocacy, community engagement to encourage inclusion and respect for neurodiversity, quality of life oriented research and the development of autistic cultural activities.*