

PE 97-07-78

STATE OF WEST VIRGINIA

UPDATE OF THE

DIVISION OF REHABILITATION SERVICES

PERFORMANCE AUDIT

Full Compliance with Recommendations

OFFICE OF LEGISLATIVE AUDITOR
Performance Evaluation & Research Division
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PE 97-07-78

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Antonio E. Jones, Ph.D.
Director

September 9, 1997

The Honorable Larry Wiedebusch
State Senate
403 Fern Drive
Glen Dale, West Virginia 26038-1005

The Honorable Vicki Douglas
House of Delegates
Building 1, Room E-213 1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting an Update of the Division of Rehabilitation Services, which will be reported to the Joint Committee on Government Operations on Sunday, September 14, 1997. The issue covered herein is "Full Compliance with Recommendations."

Sincerely,

A handwritten signature in cursive script that reads "Antonio E. Jones".

Antonio E. Jones

AEJ/wsc

_____ *Joint Committee on Government and Finance* _____

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Executive Summary

The West Virginia Division of Rehabilitation Services (DRS) provides rehabilitation services to assist disabled individuals in overcoming the barriers they face in obtaining and maintaining competitive employment. In January 1996, the Performance Evaluation and Research Division (PERD) reported the results of a performance audit on the Division. The audit identified the following two issue areas:

- Issue 1. The Division's Rehabilitation Services Have a Positive Impact on the Earnings and Work Continuity of Individuals with Disabilities.
- Issue 2. The West Virginia Rehabilitation Center and its Hospital are Seriously Underutilized Causing a Disproportionate Allocation of Funds Which Should be Available Statewide.

This report is the **second update** of the Division of Rehabilitation Services since the original January 1996 report. The first update of the Division was delivered in February of 1997. Since the majority of recommendations in the February 1997 report were not in full compliance, the Legislative Auditor recommended that the Division be given a one year continuance, thus requiring additional monitoring of the agency. This update report uses the following categories to measure agency compliance with recommendations of the original report.

Levels of Compliance
<u>In Compliance</u> - The Agency has corrected the problems identified in the final draft of the audit report.
<u>Partial Compliance</u> - The Agency has partially corrected the problems identified in the final draft of the audit report.
<u>Planned Compliance</u> - The Agency has not corrected the problem but has provided sufficient documentary evidence to find that the agency will do so in the future.
<u>In Dispute</u> - The Agency does not agree with either the problem identified or the proposed solution.
<u>Non-Compliance</u> - The Agency has not corrected the problem identified in the final draft of the audit report.
<u>Requires Legislation</u> - Statutory change is necessary to address the issue.

In all five recommendations, the Division of Rehabilitation Services is now in full compliance. The recommendations along with levels of compliance are listed below.

Recommendation 1

We recommend that the Division of Rehabilitation Services conduct periodic long-range outcome evaluations. These evaluations should measure the success of the program over a long wage history that can better judge work continuity than the 60-day criteria allows. Comparison groups should be used in the evaluation as was used in this analysis. The Division should test additional demographic variables not used in this study. Also, a cost-benefit analysis of rehabilitation services should be conducted as part of the periodic evaluation.

Level of Compliance: **In Compliance**

The Division contracted with the West Virginia Rehabilitation Research and Training Center to conduct a work continuity study as recommended by the Legislative Auditor. The Division provided the Legislative Auditor with a copy of this report in March of 1997 entitled "Long Term Impact of the WVDRS Program on West Virginians with Disabilities." The report provided a long-term analysis with results consistent with the Legislative Auditor's January 1996 report.

Recommendation 2

The Legislature should consider statutory changes that requires the Division to submit long-range outcome evaluations to the Legislature.

Level of Compliance: **Requires Legislation**

Recommendation 3

We recommend that the Division examine why a large number of individuals receive substantial services yet are not rehabilitated. The Division should determine the number of these individuals, why these individuals dropped out of the program, the costs of providing services, and other characteristics that could remedy this condition.

Level of Compliance: **In Compliance**

The Division contracted with the West Virginia Rehabilitation Research and Training Center to examine why a large number of individuals receive services yet are not rehabilitated as requested in the recommendation by the Legislative Auditor. In June of 1997, DRS provided the Legislative Auditor with a report entitled "Analysis of the Partial Participants (Status 28 Case Closures) of WVDRS." This report provided a detailed study of DRS partial participants, their costs, and reasons for dropping out of the program. Recommendations were included in the report

Recommendation 4

PERD recommends that DRS: a) determine what services should be provided at the WVRC which are not available at the community level; b) identify alternate funding sources for the Center; c) phase out direct funding for the Center, shifting those funds to the field program and requiring the Center to compete for field services funds; d) develop and submit a plan to the Joint Committee on Government Operations relating to this recommendation by December 1, 1996.

Level of Compliance: **Part (a): In Compliance;**
 Part (b): In Compliance;
 Part (c): In Compliance;
 Part (d): In Compliance.

Part a) In Compliance in the February 1997 update.

Part b) In Compliance

The Division received a rating of Planned Compliance in the February 1997 update. The Division has made significant progress in exploring alternative funding sources for the West Virginia Rehabilitation Center as mentioned in the February 1997 update. In addition, for the first time, the West Virginia Rehabilitation Hospital located within the Center received \$1,939,000 in federal Disproportionate Share funds, as a result of a computer billing software redesign as designed by accounting firm Arnett & Foster.

Part c) In Compliance: The Division has downsized funding for the center by reducing the FY 1997 budget by \$853,929. This downsizing included reducing dental services; discontinuing two underutilized training programs; and termination of some temporary employees.

Part d) In Compliance: The Division did not submit a plan to the Joint Committee on Government Operation by the December 1, 1996 deadline. This part of the recommendation requests the division to submit a plan for parts 4a - 4c. Since the Division is now in full compliance with parts 4a - 4c, which constitute the complete implementation of the recommended plan, the Legislative Auditor feels that Part 4 d) has been negated by the Division's full compliance.

Recommendation 5

PERD recommends that the Division renegotiate the current cooperative agreement with the Workers' Compensation Division to include payment for case management services including at a minimum the initial evaluation and the Individual Written Rehabilitation Plan development process. A copy of the revised agreement is to be submitted to the Joint Committee on Government Operations by June 15, 1996.

Level of Compliance: **In Compliance in the February 1997 update.**

Issue 1: The Division's Rehabilitation Services Have a Positive Impact on the Earnings and Work Continuity of Individuals with Disabilities.

Recommendation 1

We recommend that the Division of Rehabilitation Services conduct periodic long-range outcome evaluations. These evaluations should measure the success of the program over a long wage history that can better judge work continuity than the 60-day criteria allows. Comparison groups should be used in the evaluation as was used in this analysis. The Division should test additional demographic variables not used in this study. Also, a cost-benefit analysis of rehabilitation services should be conducted as part of the periodic evaluation.

Level of Compliance: **In Compliance**

On January 2, 1996, the Division of Rehabilitation Services entered into a contract for \$65,000 with the West Virginia Rehabilitation Research and Training Center to conduct a program evaluation study for the Division. This study is a more extensive study than the Legislative Auditor's study which evaluated the impact of the Division's programs on the earnings and work continuity of individuals with disabilities in West Virginia. The Legislative Auditor's analysis of the Division's impact on earnings and work continuity included client characteristics such as age, sex, and severity of disability. As requested by the Legislative Auditor, the Research and Training Center included type(s) of services received, education, marital status, dollars to provide rehabilitation services, and time spent in the rehabilitation program.

A preliminary report was delivered to DRS by the Research and Training Center in March of 1997 (Conclusions of the study are contained in Appendix A). This study concluded, as did the Legislative Auditor's study, that DRS rehabilitants do have a positive impact on their wage earnings as a result of the Division's rehabilitation services. The report concluded that the "agency's on-going program evaluation efforts and a periodic detailed examination of specific program evaluation issues...will assist the WVDRS program to continue on the path of achieving successful rehabilitation." Thus, the Legislative Auditor recommends that DRS continue their program evaluations to determine the effectiveness of their rehabilitation services.

Recommendation 2

The Legislature should consider statutory changes that requires the Division to submit long-range outcome evaluations to the Legislature.

Level of Compliance: **Requires Legislation**

In a response provided to the Legislative Auditor, DRS stated that they would have no objection should the Legislature choose to codify this practice as a statutory requirement.

Recommendation 3

We recommend that the Division examine why a large number of individuals receive substantial services yet are not rehabilitated. The Division should determine the number of these individuals, why these individuals dropped out of the program, the costs of providing services, and other characteristics that could remedy this condition.

Level of Compliance: In Compliance

The Division has been upgraded on this recommendation from *Partial Compliance* to *In Compliance*. In June of 1997, the Legislative Auditor's Office received a report by the West Virginia Rehabilitation Research and Training Center entitled "Analysis of the Partial Participants (Status 28 Case Closures) of WVDRS" (Conclusions and Recommendations of this report are contained in Appendix B). This report provided a detailed study of DRS partial participants, their costs, and reasons for dropping out of the program. The report also included a comparison of WVDRS partial participants with those of other state programs. Recommendations include as a short term response having DRS counselors closely examine cases that involved either extremely high case services cost, and attempting to reduce these costs. As a long term response the report recommended that the agency examine reasons for partial participants closures through focus groups and/or survey techniques. Also, the report recommended that an identifier or a warning system for partial participants be developed.

Recommendation 4

PERD recommends that DRS: a) determine what services should be provided at the WVRC which are not available at the community level; b) identify alternate funding sources for the Center; c) phase out direct funding for the Center, shifting those funds to the field program and requiring the Center to compete for field services funds; d) develop and submit a plan to the Joint Committee on Government Operations relating to this recommendation by December 1, 1996.

Level of Compliance: **Part (a): In Compliance;**
 Part (b): In Compliance;
 Part (c): In Compliance;
 Part (d): In Compliance.

Part a) In Compliance in the February 1997 update.

Part b) In Compliance: In the February 1997 update, DRS received a planned compliance for identifying alternative funding sources for the Center. These alternative funding sources as identified by the Division included: improving the billing system; exploring outpatient therapy

services on a fee for service basis; discuss with PEIA the development of a PEIA Disease Management Program; and developing a work hardening program with the Workers' Compensation Division. **The Division has made significant progress in exploring these funding sources.** In addition, for the first time, the West Virginia Rehabilitation Hospital located within the Center received \$1,939,000 in federal Disproportionate Share funds for FY95. They also expect another DSH payment of approximately \$1,9000,000 for FY96. According to agency management, the eligibility for these funds became available as a result of the utilization of new accounts receivable software developed by Arnett and Foster. The Legislative Auditor recommends that DRS continue to explore alternative funding sources for the WV Rehabilitation Center and its hospital.

Part c) In Compliance: The Division as stated in the February 1997 update decline adopting the approach of phasing out direct funding for the Center. Division management feels that this approach would leave the center with an uncertain financial foundation and eventually threaten its continued operation. The Division **has** attempted to downsize funding for the center by reducing the FY 1997 budget by \$853,929. This downsizing included reducing dental services; discontinuing two underutilized training programs; and termination of some temporary employees. According to division management, the downsizing activities and the increase to the field services budget for FY97 resulted in the Agency closing the fiscal year with counselors able to provide services through the end of the year, whereas before field services routinely ran out of money before the end of the fiscal year. The Legislative Auditor commends the Division for downsizing the Center's budget.

Part d) In Compliance: The Division did not submit a plan to the Joint Committee on Government Operation by the December 1, 1996 deadline. This part of the recommendation requests the division to submit a plan for parts 4a - 4c. Since the Division is now in full compliance with parts 4a - 4c, which constitute the complete implementation of the recommended plan, the Legislative Auditor feels that Part 4 d) has been negated by the Division's full compliance with parts 4a -4c.

Recommendation 5

PERD recommends that the Division renegotiate the current cooperative agreement with the Workers' Compensation Division to include payment for case management services including at a minimum the initial evaluation and the Individual Written Rehabilitation Plan development process. A copy of the revised agreement is to be submitted to the Joint Committee on Government Operations by June 15, 1996.

Level of Compliance: **In Compliance in the February 1997 update.**

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Appendix A

Excerpt from
“Long Term Impact of the WVDRS
Program on West Virginians
with Disabilities”
as submitted by the
West Virginia Rehabilitation
Research and Training Center
March 1997

Conclusions of the Study of the Long-term Impact of the WVDRS Program on West Virginians with Disabilities

The **first objective** of the present investigation was to determine if wages/earnings decline, remain static, or increase from pre-rehabilitation to post-rehabilitation. For the rehabilitants, the pre-rehabilitation wages/earnings averaged \$1,097 quarterly (\$4,388 annually). The post-rehabilitation wages/earnings averaged \$2,303 quarterly (\$9,212 annually). The wages/earnings more than doubled for the rehabilitants from pre-rehabilitation to post-rehabilitation. Categories of successful rehabilitation include competitive employment, extended employment in workshops, self-employment, homemaker occupation, and unpaid family worker/other. Competitive employment was achieved by 87% of the rehabilitants. For those who achieved competitive employment, the pre-rehabilitation wages/earnings averaged \$1,178 quarterly (\$4,712 annually). The post-rehabilitation wages/earnings averaged \$2,551 quarterly (\$10,204 annually). The wages/earnings for the 87% of the rehabilitants who achieved competitive employment more than doubled from pre-rehabilitation to post-rehabilitation. The average annual gain in wages (\$5,492) completely offset in a single year the average cost of rehabilitation services (\$5,481). There were also substantial gains in the average number of quarters worked after rehabilitation for both the rehabilitants as a total group and for those rehabilitated to competitive employment. These findings represent a substantial impact on wages/earnings after rehabilitation.

The **second objective** was to describe the trends of wages/earnings after rehabilitation. This analysis involved those who were rehabilitated to competitive or self-employment. Depending on the year and quarter in which the person was rehabilitated, information on wages was available for post-rehabilitation ranging from 4 quarters (one year) to 16 quarters (four years). The average quarterly wages/earnings after rehabilitation ranged from \$1,478 to \$4,421. These results lead to the conclusion that the rehabilitation program had a positive long-term impact on the wages/earnings of those consumers who completed the rehabilitation program and were working in competitive or self-employment settings.

The **third objective** was to perform regression analyses on the impact of the rehabilitation program on the post-program annual wages/earnings of the Rehabilitants, Partial Participants, and Nonparticipants. Results from the regression analyses indicated a statistically significant impact of WVDRS on the wages/earnings after completing the rehabilitation program. These results suggested that after controlling for some demographic attributes, the Rehabilitants, on average, earned annually \$7,145 more than the Partial Participants and \$5,437 more than the Nonparticipants. The key predictors of the post-program gain in annual earnings/wages were closure status, work history, gender, education, and severity of disability. The WVDRS consumers who (1) were rehabilitated, (2) had a long work history, (3) were male, (4) had more years of education, and (5) were not severely

disabled experienced the largest gain in their post-program annual wages/incomes. Once again, however, the strongest predictor of higher wages/earnings was successful completion of the rehabilitation program.

In the final analysis, statistical results from all three objectives of this first component of the program evaluation of WVDRS being conducted by WVRRTC confirmed a significant positive causal relationship between the success of the rehabilitation program and the consumers' post-rehabilitation program wages or earnings. Continued success of the rehabilitation program and its consumers requires the current rehabilitation service delivery system to be operating effectively and efficiently, especially in the current climate of budgetary constraint. Consequently, the agency's on-going program evaluation efforts and a periodic detailed examination of specific program evaluation issues such as this empirical examination of the post-program wages will assist the WVDRS program to continue on the path of achieving successful rehabilitation outcomes for West Virginians with disabilities.

Appendix B
Excerpt from
“Analysis of the Partial Participants
(Status 28 Case Closures)
of WVDRS”
as submitted by the
West Virginia Rehabilitation
Research and Training Center
June 1997

Conclusions and Recommendations for the Status 28 Case Closures

The purpose of this study was to examine the case closures of WVDRS, especially the Partial Participants or the Status 28 cases, as part of an overall evaluation of the WVDRS program and as a response to one of the recommendations made by the Legislative Auditor's report. The program evaluation of WVDRS conducted by the Legislative Auditor Office reported that WVDRS spent relatively large proportion of the case services money on the Partial Participants which involved cases that were not successfully rehabilitated and were closed in Status 28. More specifically, the Legislative Auditor's report suggested that the average case services cost of \$2,169 and the estimated total rehabilitation cost of \$1,310,076 for the 604 Status 28 case closures in FY 1992 represented a relatively large proportion of the WVDRS total case services expenditure. Consequently, the present examination of the case closures of WVDRS, with emphasis on the Status 28 cases, by the West Virginia Rehabilitation Research and Training Center followed two levels of analysis. The macro level of analysis included comparisons of the case closures in the federal fiscal years (FFY) 1993 and 1995 between WVDRS and the Nation (all General VR agencies combined) and represented Objective 1 for this study. The micro level analysis included comparisons of the case closures in the state fiscal years (FY) 1995 and 1996 among the WVDRS districts and the state and represented Objective 2.

Results of Objective 1: the Macro Level Analyses of the Status 28 Case Closures

Results of the macro level analyses of the federal RSA 911 data for the federal fiscal years 1993 and 1995 suggested that the issue of Partial Participants (the Status 28 cases) is a common concern among VR agencies. This finding was anticipated since there is no guarantee that every consumer with disabilities who participates in the state-federal VR programs throughout the country will be successfully rehabilitated and have his/her case closed in Status 26. The Rehabilitation rate (% 26s) for the West Virginia Division of Rehabilitation Services of 62.2% was one of the highest in the Nation in FFY 1993. The Partial Participation rate (% 28s) of 21.7% for WVDRS was among the lowest in the Nation in FFY 1993. The same program performance can be said of WVDRS for FFY 1995; the Rehabilitation rate for WVDRS of 56.3% was 11% higher than that of the Nation. Additionally, the WVDRS Partial Participation rate of 20.6% was 9.5% lower than the Nation's rate in FFY 1995. Thus, according to these two program performance indicators, the West Virginia Division of Rehabilitation Services program performance was very good relative to other General VR agencies in FFY 1993 and FFY 1995.

The average case service cost for the Status 28 case closures for WVDRS (\$2,099) was slightly higher than the Nation's (\$1,905) for FY 1993. These two amounts were almost equal to the \$2,169 (amount from the Legislative Auditor's report), which was considered relatively expensive by the Legislative Auditor's report

for FY 1992. Thus, the average expenditure on the Partial Participants across the country in FFY 1993 was about \$2,000 and in West Virginia about \$2,000. In fact, if WVDRS had had the same Partial Participant rate and average case services cost for the Status 28 cases as the Nation, WVDRS would have to spend \$2,796,540 to serve the Partial Participants in FFY 1993. However, with the actual WVDRS Partial Participant rate of 21.7% and WVDRS average cost of case services of \$2,099, WVDRS had to spend only \$1,975,159 for services to the Status 28 cases in FFY 1993. Because of the relatively low WVDRS Partial Participation rate for FFY 1993, the total cost to WVDRS for serving the Partial Participants was relatively low when compared to that of the Nation.

A close examination of the Status 28 case closures of WVDRS revealed no concentration of these cases within particular demographic attributes that differed from the cases overall (Status 26, 28, and 30). For example, although about 45% of the WVDRS Partial Participants were consumers with orthopedic impairments (except amputations), a similar proportion of this consumer group existed for all the case closures (Statuses 26, 28, and 30, combined) in FFY 1993. However, for the Nation, about 50% or half of all the Status 28 cases closed in FFY 1993 were associated with consumers with mental or emotional conditions. This level of representation of this particular consumer group was not present in all case closures (Statuses 26, 28, 30, combined) across the country in FFY 1993. Another finding from Objective 1 was that WVDRS was serving substantially more cases referred by the workers' compensation agency relative to the Nation. In FY 1993, while 20.4% of WVDRS Status 28 cases were referred by the workers' compensation agency, only 1.1% of cases for the Nation were referred by the same source.

The 3 main reasons given for the Status 28 case closures in FFY 1993 and FFY 1995 were (1) inability to locate consumers or consumers moved, (2) consumers failed to cooperate, and (3) consumers refused further services. These main reasons given by counselors for Partial Participants were the same for all VR agencies across the country, including WVDRS.

Results of Objective 2: the Micro Level Analyses of the Status 28 Case Closures

Results of the micro level analyses of the WVDRS data for FY 1995 and FY 1996 suggest that there were some variations in the Rehabilitation rate (% 26s), the Partial Participant rate (% 28s), and the Nonparticipant rate (% 30s) across the 7 districts of WVDRS and the two time periods. The State's Rehabilitation rate declined from 58% in FY 1995 to 51.5% in FY 1996. Consequently, the State's Partial Participant rate increased from 19.5% in FY 1995 to 22.7% in FY 1996. Similarly, the Nonparticipant rate increased from 22.5% in FY 1995 to 25.8% in FY 1996. Across the 7 districts, the Rehabilitation rates ranged from 52.4% (for District IV) to 65% (for District II) in FY 1995 and from 44.8% (for District

III) to 63.1% (for District VII) in FY 1996. The Partial Participant rates ranged from 11.0% (for District VI) to 23.8% (for District V) in FY 1995 and from 17.6% (for Districts IV and VII) to 31% (for District V) in FY 1996. **While the Rehabilitant rates for all 7 districts were above 50% in FY 1995, only the Rehabilitation rates for Districts I, II, and VII were higher than 50% in FY 1996. The Partial Participant rates for Districts II and V were consistently higher than the State's rate during the two-year period. Only Districts I and VI had a lower Partial Participation rate than the State for both FY 1995 and FY 1996.**

Other findings from the micro level of analysis include the followings. **The number of Partial Participants who were 18 years of age or less had increased from 1.3% in FFY 1993 to 13.1% in FFY 1995 and 24.6% in FY 1996. Thus there have been more cases with younger individuals with disabilities closed in Status 28 in recent years.**

The average time spent in the WVDRS program from Status 10 to case closure in Status 28 was 1,149 days for FY 1995 and 1,152 days for FY 1996. Across the WVDRS districts, the number of days ranged from 623 days (for District VI) to 2,029 days (for District II) in FY 1995 and from 795 days (for District VI) to 1,632 days (for District II) in FY 1996.

The average number of days from Status 10 to Status 28 for Districts II and III were higher than that of the State's average for both FY 1995 and FY 1996. The average case services cost for the Status 28 case closures was \$2,173 for FY 1995 and \$2,390 for FY 1996. When these costs were broken down into 9 ranges, a clearer distribution of the Status 28 cases associated with the case services cost revealed that the majority of the Status 28 cases (about 80% in FY 1995 and 77% in FY 1996) cost less than the State's average and represented only small portion of the total expenditure (about 13.5% in FY 1995 and in 10.4% FY 1996) on the Partial Participants. Across the districts, the average cost of case services for the Status 28 cases varied greatly. The average case services costs ranged from \$649 (for District VI) to \$3,994 (for District VII) in FY 1995 and from \$1,281 (for District III) to \$4,687 (for District IV) in FY 1996. The average case services cost for Districts I and IV were higher than the State's average for both fiscal years.

Again, the reasons for the Status 28 case closures at the district level were still the same 3 main reasons found at the state and national levels. **Counselors across West Virginia and the country clearly associated the reasons for many of the unsuccessful rehabilitations of the Partial Participants with the consumers relocating, failure to cooperate, and refusal of services.**

Recommendations for the Status 28 Case Closures

The 3 main reasons given by the VR counselors pointed the cause of unsuccessful rehabilitation toward the consumers of the VR program. However, a success in the VR program requires a successful interplay of both the consumers and the counselors. It is conceivable that additional or different input(s) by the counselors or the VR system could have reduced the number of cases closed in Status 28 due to the above 3 main reasons. It is important to note that these 3 main reasons for the Status 28 case closures as reported by the VR counselors across the country indirectly suggested room for improvement to be made by the VR counselors, the VR consumers, and the VR system. If the VR counselors had indicated either (a) disability too severe or unfavorable medical prognosis, (b) death, (c) consumer institutionalized, or (d) transferred to another agency as the main reason for the Status 28 case closure, then the task of decreasing the Status 28 cases would be almost impossible.

Since counselors of the state-federal VR programs are obligated to serve every qualified individual with disabilities to the maximum of the consumer's potential and the counselor's ability, the case services costs for difficult cases (i.e., some of the Status 28 cases) are, naturally, going to be high. An order of selection provision was included in the 1973 Rehabilitation Act to ensure that persons with severe disabilities were not denied participation in the VR program because of the cost and complexity of their service needs. The 1992 Amendments to the Rehabilitation Act reflect a continuing commitment to serve persons with the most severe disabilities in the state-federal VR program. At the same time, all state-federal VR agencies, like WVDRS, recognize the need to continually improve their program performances to offset the continuing decline in resource expenditures allotted for the state-federal programs for individuals with disabilities. Since more emphasis has been put on the consumers with severe disabilities in recent years, the challenges facing the VR counselors have become even greater. Today's counselors are facing the task of serving more consumers with severe disabilities with declining resources. Therefore, the task of reducing the number of Partial Participants or cases in Status 28 for all state-federal VR programs is quite significant and exceptionally challenging. Currently, there is neither a written prescription nor a quick recipe for reducing the cases in Status 28. But, it is obvious that the counselors' role will be quite prominent in any of the proposed remedies for dealing with these cases.

As a **short-term response** to the Status 28 case closures, it is recommended that both the Administrators and field counselors of WVDRS closely examine cases that involved either extremely high case services cost, abnormally long periods of time spent in the WVDRS program, or the combination of both. The extreme cases can be easily identified by the territory assignment. Case services records of these extreme cases need to be analyzed with a focus on explaining the high cost of case services and/or the abnormally long periods of time spent in the WVDRS program. The

average cost of the Status 28 case closures can be reduced significantly if cases with extremely high case services cost are reduced. The field counselors have to pay special attention to these high-cost and long time cases and undertake special actions, if necessary, so that fewer extreme cases will be closed as Partial Participants (Status 28).

As a **long-term response** to the Status 28 case closures, it is recommended that the agency undertake an initiative to further examine the reasons for these case closures. Solicitation of ideas and suggestions regarding the Status 28 issue from the field counselors throughout the state is the necessary first step of a long-term response. A focus group and/or different survey techniques could be used to solicit evidence, opinions, and advice of the field counselors concerning the appropriate action steps necessary to potentially reduce the Status 28 case closures. Subsequently, as the second step of a long-term response, an identifier or a warning system for a potential Partial Participant can be developed through a cooperative effort of the counselors, program administrators, professionals, and researchers in the rehabilitation field.

Appendix C
Agency Response



WEST VIRGINIA DEPARTMENT OF EDUCATION AND THE ARTS
DIVISION OF REHABILITATION SERVICES

JAMES S. JEFFERS, DIRECTOR

September 5, 1997

RECEIVED

SEP 5 1997

**RESEARCH AND PERFORMANCE
EVALUATION DIVISION**

Dr. Antonio Jones, Director
Performance Evaluation and Research Division
Office of Legislative Auditor
Building 5, Room 751
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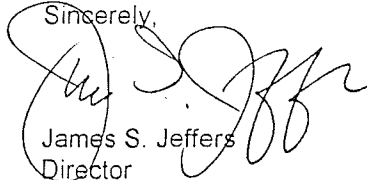
Dear Director Jones:

On behalf of the West Virginia Division of Rehabilitation Services I would like to take this opportunity to thank you and your staff for the professionalism and objectivity demonstrated while conducting the performance evaluation of our agency. We are extremely pleased to learn that your Division has found our agency in compliance with each of your recommendations and that you will recommend the agency for continuation under the West Virginia Sunset Law.

I will be available to the Joint Committee on Government Organization at their Interim Session meeting on September 14, 1997, in the event they have any questions regarding your recommendation for our continuance.

Our agency will continue to review services provided at the West Virginia Rehabilitation Center and our other service delivery entities. Our tradition of high quality and innovative programs will be maintained and focused on achieving gainful employment and independent living for West Virginians with disabilities.

Sincerely,



James S. Jeffers
Director

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