Individual Placement and Support

NC Results First Program Evaluation

Through the North Carolina Results First Initiative, the Department of Health and Human Services' Adult Mental Health Section (AMH) and the Office of State Budget and Management (OSBM) reviewed high-quality research evidence to determine the effectiveness of Individual Placement and Support services (IPS).

Research evidence shows that IPS is effective at increasing employment and reducing psychiatric hospitalization.

AMH and OSBM also used benefit-cost analysis tools to estimate the program's return on investment. The impact of IPS represents the effect of the program above and beyond what would be expected from traditional Vocational Rehabilitation Supported Employment Service (Supported Employment) outcomes and costs. If IPS were not available, individuals with SMI would likely receive support through traditional Supported Employment. Benefits include the avoided cost of alternative treatment and the value of benefits associated with IPS participation.

Benefit-Cost Analysis

On average, the IPS program benefits of $11,163 per person exceed the delivery cost of $4,369, resulting in a net benefit of $6,793 per person, a return of $2.55 per dollar invested in the program.

Accounting for variation in key estimates, there is a 96 percent chance that the benefits will exceed the costs when IPS is used as an intervention for adults with serious mental illness.

Although research evidence shows that IPS reduces the persistence of psychiatric symptoms, this positive outcome could not be monetized due to inconsistent measures across research and challenges accurately estimating the prevalence of psychiatric symptoms among the target population.

Participants use an average of 259.6 units (64.9 hours) of IPS services at an average cost of $17 per unit, based on claims data. This results in an estimated per-person cost of $4,369.

Program Description

IPS is an international, evidence-based behavioral health model that aids individuals with serious mental illness (SMI) choose, acquire, and maintain competitive paid employment in the community.

Monetized Benefits

On average, for every individual who utilizes IPS services, we can expect $11,163 in total benefits over the lifetime of the participant. Of the total benefits per person, $4,196 accounted for benefits stemming from higher labor market earnings, while $7 accounted for cost avoidance related to a reduction in psychiatric hospitalization. Additionally, for each individual served through IPS, the state can expect to avoid an estimated $6,960 in costs that would otherwise be spent on traditional Supported Employment services.

Increased employment is measured by changes in full- or part-time employment attributable to IPS participation compared to the employment effects of traditional Vocational Rehabilitation Supported Employment. Associated benefits are measured in terms of the additional income earned by the participants.

Reduced psychiatric hospitalization is measured by the program's impact on admissions to a psychiatric ward or hospital. Monetization of the impact relies on statewide and national data on psychiatric hospitalization rates and average costs.

Benefit-Cost Summary Explanation (2020 Dollars)

Total Benefits per participant	**+ $ 11,163**
Increased Employment	*$ 4,196*
Reduced Psychiatric Hospitalization	*$7*
Reduced Psychiatric Symptoms	*Unmonetized*
Avoided Cost of Alternative Treatment	+$6,960
Costs per participant	**-$ (4,369)**
Benefits less costs	**+ $6,793**

$ 2.55 per dollar invested
Benefit to cost ratio

96%
Likelihood benefits will exceed costs

Of the $11,163 in benefits per person served by IPS, taxpayer gains from higher employment and the avoided costs of alternative employment support services account for $8,218. Higher earnings for participants account for $2,943.

Benefits By Perspective	
Taxpayer	**$8,218**
Federal	*$807*
State	*$7,215*
Local	*$195*
Participants	**$2,943**
Other	**$1**
Total	**$11,163**

Recommendations & Next Steps

Strengthen Collaboration with the Division of Vocational Rehabilitation
IPS providers must apply to become a Division of Vocational Rehabilitation (DVR) vendor and collaborate with the Division on referrals, shared clients, access to funding, and other areas. AMH recommends improving collaborations with the DVR to increase shared funding for IPS and to provide a more robust array of resources to help individuals with serious mental illness to find and keep competitive employment.

Expand Value-Based Payment Models to All Local Managed Entities-Managed Care Organizations
Value-Based payment (VBP) models can be used to reward providers for delivering high-quality, appropriate care and improved outcomes. The VBP model is currently applied to IPS in two LME-MCOs and ties payments directly to milestones, reducing administrative burden and enhancing an individual's quality of care. To improve the quality of IPS service delivery and maximize funding, AMH recommends expanding the VBP model for IPS to all LME-MCOs.

Connect All IPS Teams to A Behavioral Health Team
The IPS service definition establishes that IPS services should be co-located with a behavioral health treatment service to ensure consistent behavioral health integration with employment supports. Some IPS providers, especially those who do not provide behavioral health services themselves, face difficulties with successfully integrating these supports. AMH plans to expand assistance to IPS providers facing barriers in integrating comprehensive behavioral health services to ensure all IPS clients are receiving adequate and timely employment and behavioral health treatment services.

Expand Targeted Training and Technical Assistance to Enhance Program Fidelity
AMH measures IPS program fidelity and provides training and technical assistance to LME-MCOs and IPS provider networks to support the implementation of IPS with exemplary fidelity. To build on this support, AMH plans to target technical assistance to providers facing program barriers such as behavioral health integration, career profile services development, and follow along supports.

Additionally, AMH will begin requiring LME-MCOs to meet with IPS provider teams with fidelity scores of "fair" or lower to discuss their barriers and develop an action plan to strengthen program fidelity.

Increase Engagement to Strengthen Support of the IPS Model
AMH recommends including LME-MCO and Department of Health and Human Services leadership in the quarterly IPS steering committee call to continue strengthening program buy-in.