

**A REPORT  
TO THE SOUTH CAROLINA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES**

**“A RESPONSE OF BUSINESS AND FINANCIAL  
LEADERS TO THE BARRIERS TO AND  
OPPORTUNITIES FOR EMPLOYMENT OF PERSONS  
WITH DISABILITIES IN SOUTH CAROLINA”**

**DEVELOPED BY  
SYSTEM WIDE SOLUTIONS  
OF COLUMBIA, S.C.**

**UNDER CONTRACT TO  
THE CENTER FOR DISABILITY RESOURCES,  
SCHOOL OF MEDICINE, UNIVERSITY OF SOUTH CAROLINA**

**George W. Appenzeller, MSW  
Sarah Meadows, MSW  
Tiffany Powell**

**AUGUST 22, 2006**

***Funded by the CMS Medicaid Infrastructure Grant Program  
CFDA Number 93.768***

## ACKNOWLEDGEMENTS

System Wide Solutions thanks the individuals who were willing to be interviewed by our staff to make this report possible. They gave freely of their time and were very open with their ideas, opinions, knowledge and experience.

Mr. Keith Appel  
President  
Remote Tools Inc.

Ms. Dottie Karst  
President  
Charles Foster Staffing

Mr. Andy Cox  
CEO  
SC Methodist Conference Credit Union

Mr. Frank Knapp, Jr.  
President  
South Carolina Small Business  
Chamber of Commerce

Mr. John Easterling  
President  
Pulliam Investment Company

Mr. Nelson J. Marchioli  
President and CEO  
Denny's Corporation

Mr. Ike McLeese  
President  
Greater Columbia Chamber of Commerce

One member of the group wished to remain anonymous.

## **EXECUTIVE SUMMARY**

System Wide Solutions, Inc. (SWS) received a contract during calendar year 2006 to conduct certain activities for the South Carolina Medicaid Infrastructure Grant (MIG). Among those tasks was to form and support a panel of business and financial leaders to develop a response to the barriers that mitigate against persons with disabilities working. It was very difficult to get business and financial leaders from across the state together at one time. SWS therefore agreed to meet with the leaders individually to interview them regarding their input into the process.

Participants were identified by requesting the assistance of individuals who are known to have excellent contacts with leaders in the business community. Appointments were made with the identified business and financial leaders who were willing to be interviewed. The discussion guide (see Appendix One) developed for the business leaders was based on the information gathered and conclusions reached in the five studies done for the MIG project during calendar year 2005 (see Executive Summaries in Appendix Two).

Upon the completion of each conversation, the notes were entered into a qualitative database. After all conversations were completed, the database was reviewed for commonalities and differences. These commonalities and differences were then analyzed to determine the findings.

The businesses and financial institutions represented in the group include the food service industry, the textile industry, the commercial mortgage industry, the credit union industry, the employment placement industry, independent research and development, the non-profit sector, and the advertising industry. All participants are CEO's and/or presidents of their companies. One business is a large, international business; one a large, national business; two are large, state businesses; one is a medium national business; one is a medium state business; and two are small, state businesses. A list of the participants may be found in Appendix Three.

The study resulted in several conclusions.

1. Businesses are seeking applicants with good work habits: Employers are finding it increasingly more difficult to identify people to hire who have a strong work ethic. If persons with disabilities are willing to work, show up on time and get the job done, employers would be willing to do what it takes to get them on the job.
2. Hiring persons with disabilities can make sense economically: Under these circumstances, the employer gains an economic advantage, either an increase in revenues or decrease in costs. An economic advantage is essential for any business, especially a small business, to make a hiring decision. Anything that government can do to make that happen will make it easier for businesses to hire persons with disabilities.
3. Employers are willing to hire more persons with disabilities if they receive the right support: Businesses need to feel that they will get good employees when they hire a person with disabilities. But they also need to believe that they will get the support they

need for the hiring to work out. That may very well mean that government or other agencies will have to help employers with some key areas:

- Healthcare coverage
- Paying for workplace accommodations
- Providing placement services
- Developing enclaves for the developmentally disabled and others
- Working with employers to
  - ensure the people referred by agencies have the skills to do the work
  - assure that transportation is available
  - assure the appropriate accommodations are being made
  - train management and other staff on how to interact and communicate with persons with disabilities

The report concludes with four recommendations.

1. That the SC Department of Health and Human Services modify the current Medicaid Buy-In Program for the Working Disabled to cover a larger number of people and to charge for the coverage on a sliding scale. (See Appendix Four for details.)
2. That the support services for placing persons with disabilities in jobs be modified to meet the needs of employers such as:
  - ensure the people agencies refer have the skills to do the work
  - assure that transportation is available
  - assure the appropriate accommodations are being made
  - train management and other staff on how to interact and communicate with the persons with disabilities
3. That the state devote more resources for small businesses to offset at least some of the costs of accommodations.
4. That the state put more effort into developing enclaves in which the developmentally disabled and others can work, including privately operated enclaves.

# TABLE OF CONTENTS

<b>ACKNOWLEDGEMENTS</b> .....	<b>I</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>II</b>
<b>TABLE OF CONTENTS</b> .....	<b>IV</b>
<b>INTRODUCTION</b> .....	<b>1</b>
<b>METHODOLOGY</b> .....	<b>2</b>
Identification of Participants .....	2
Instrumentation.....	2
Data Gathering Process .....	2
Data Analysis and Report Development.....	2
<b>FINDINGS</b> .....	<b>3</b>
Description of the Participants .....	3
Potential Problems Mentioned.....	3
Healthcare Coverage .....	3
Social Barriers.....	3
Accommodation .....	4
Multi-Tasking at Small Firms .....	4
Unknown Liabilities.....	4
Potential Positives Mentioned .....	4
workforce needs .....	4
other advantages.....	5
Suggested Government Supports.....	5
Healthcare Coverage .....	5
reimbursement for accomodations .....	5
enclaves.....	5
placement services .....	5
WORKING with Employers .....	6
<b>CONCLUSIONS</b> .....	<b>7</b>
<b>RECOMMENDATIONS</b> .....	<b>8</b>
<b>APPENDIX ONE DISCUSSION GUIDE</b> .....	<b>9</b>
INTERVIEW SCHEDULE –2006 MIG EMPLOYER.....	10
GROUP INTERVIEW SCHEDULE .....	10
INSTRUCTIONS.....	10
<b>APENDIX TWO 2005 STUDIES EXECUTIVE SUMMARIES</b> .....	<b>11</b>
<b>APPENDIX THREE BUSINESS AND FINANCIAL LEADERS INTERVIEWED</b> .....	<b>28</b>
<b>APPENDIX FOUR MEDICAID BUY-IN PROGRAM FOR PERSONS WITH DISABILITES DETAILS</b> .....	<b>30</b>

## **INTRODUCTION**

System Wide Solutions, Inc. (SWS) received a contract during calendar year 2006 to conduct certain activities for the South Carolina Medicaid Infrastructure Grant (MIG). Among those tasks was to “Form and support a panel of business and financial leaders, and a panel of policy makers, disability and health care funding professionals, academic experts, and persons with disabilities to develop a comprehensive response to the barriers that mitigate against persons with disabilities working.”

However, it was very difficult to get business and financial leaders from across the state together at one time. SWS therefore met with the leaders individually to interview them regarding their input into the process. On the other hand, it was possible to meet with a panel of policy makers, disability and health care funding professionals, academic experts, and persons with disabilities, in that the MIG Advisory Committee provided a ready-made group. To ensure that an even broader group of policy makers receive the information developed, this report is being produced for presentation to the Governor of the State of South Carolina, the Director of SC Department of Health and Human Services, the Director of SC Department of Vocational Rehabilitation, the Director of the SC Department of Mental Health, the Director of the Department of Disabilities and Special Needs, and appropriate legislative committee chairs at the discretion of the Center for Disability Resources and SC Department of Health and Human Services.

In its latest report on disabilities and employment, the Census Bureau determined that 14% of South Carolinians of working age (16-64) are disabled and that 32 % of these disabled persons are employed. At the same time, South Carolina has virtually full employment in much of the state and has a need to identify new sources of employees, such as the retired population and persons with disabilities. Complicating this situation is the fact that South Carolina workers are actually making less money than they made in the past. Part of this can be attributed to nationwide trends, but another part can be attributed to the relatively undereducated and under-skilled (in comparison to many other states) nature of the South Carolina labor force.

Many disabled persons are well educated and have high skill levels. They, however, are caught in an antiquated system that forces them to make a decision between being a working, functioning member of society and possibly being without the health care coverage that often makes the difference between life and imminent death. There are other barriers that they must face and barriers that the employer must face that mitigate against their employment. Many of these barriers can be alleviated to some extent by relatively simple and inexpensive government action. This report will present the beliefs of South Carolina business leaders about these issues and will recommend methods for dealing with them.

# **METHODOLOGY**

## **Identification of Participants**

Participants were identified by requesting the assistance of individuals who are known to have excellent contacts with leaders in the business community. These individuals were kind enough to make contacts with business leaders for the project, with follow-up made by SWS staff. Appointments were then made with the business and financial leaders who were willing to be interviewed.

## **Instrumentation**

A discussion guide (see Appendix One) was developed based on the information gathered and conclusions reached in the five studies done for the MIG project during calendar year 2005 (see Executive Summaries in Appendix Two). A protocol was developed to assure that all conversations followed a similar process (see Appendix One). The protocol includes assurances of confidentiality for the participants.

## **Data Gathering Process**

Appointments were made with the business and financial leaders who were willing to be interviewed. All conversations took place at restaurants over lunch or at the place of business of the participant. In all but one case, one SWS staffer took part in the conversations. In two instances, the participant brought his company's human resources director with him to the interview.

## **Data Analysis and Report Development**

Upon the completion of each conversation, the notes were entered into a qualitative database. After all conversations were completed, the database was examined for commonalities and differences. These commonalities and differences were analyzed to determine the findings. Based on this analysis, the findings were written and conclusions and recommendations developed.

# **FINDINGS**

## **Description of the Participants**

The businesses and financial institutions represented in the group include the food service industry, the textile industry, the commercial mortgage industry, the credit union industry, the employment placement industry, independent research and development, the non-profit sector, and the advertising industry. All participants are CEO's and/or presidents of their companies. One business is a large, international business; one is a large, national business; two are large, state businesses; one is a medium national business; one is a medium state business; and two are small, state businesses. A list of participants may be found in Appendix Three.

## **Potential Problems Mentioned**

### **HEALTHCARE COVERAGE**

Health insurance coverage was mentioned by seven of the eight participants as a difficulty in hiring persons with disabilities. Five mentioned it as the largest problem. Among the details that were discussed were:

- Health care in general is becoming so expensive that companies are having to cut back on coverage. Adding employees who would be expensive to cover, such as persons with disabilities, is a particular difficulty for small businesses.
- Waiting periods before coverage begins are mandatory, and persons with disabilities may have health conditions that make it dangerous for them to wait.
- For pre-existing conditions, health coverage waiting periods can be as long as a year.
- Making exceptions to waiting periods for persons with disabilities in health care coverage or giving special treatment would not be fair to other employees, and would probably not be legal.

### **SOCIAL BARRIERS**

No one likes to ask for help, and sometimes persons with disabilities have to do that. Asking for help in the work setting is viewed as especially difficult. Also, there are employees who lack understanding about disabilities and supervisors who do not know how to supervise the disabled. This can lead to misunderstandings and conflicts in the workplace which ultimately interfere with the continued employment of the person with the disability.

## **ACCOMMODATION**

Accommodation frightens many employers. They are not familiar enough with the law to know exactly what their responsibilities are, but also they do not know exactly what the necessary accommodations may be for a particular situation. For small firms, making accommodations can be more expensive than they can afford.

## **MULTI-TASKING AT SMALL FIRMS**

In small firms, the employees must be cross-trained to do more than one function or task. There is no room for specialization. The existing state training system for persons with disabilities appears to be set up to create narrow specializations. It may also be difficult for people with some disabilities to be able to do several different types of tasks.

## **UNKNOWN LIABILITIES**

Employers are often uncertain of the liabilities they may be taking on when they hire a person with a disability. They have many questions: Could seeking out or hiring more persons with disabilities generate more EEOC complaints? Might the new employee ask for accommodation beyond what is reasonable? Would workers with disabilities have more accidents, produce an increase in Workers Compensation claims and therefore increase Worker's Compensation costs? These unknowns are perceived as risks.

## **Potential Positives Mentioned**

### **WORKFORCE NEEDS**

Employers need a loyal work force with a strong work ethic. Several of the participants reported that this is a more difficult task to accomplish than it used to be. Specifically, they need people who are productive, who have a good attitude, who have positive interactions with other staff, who make a good appearance and who are reliable. Moreover, many parts of South Carolina, particularly along the coast, are at full employment, and a new group of employees needs to be brought into the labor market.

Four of the participants are familiar with the disabled as employees. They have been favorably impressed with the work provided by these employees.

## **OTHER ADVANTAGES**

Employers acknowledge that there may be some advantages to their business in hiring person with disabilities. Some of these advantages mentioned are:

- Potentially less turnover; persons with disabilities may be more loyal
- Credit for Affirmative Action
- Recognizing those who want to help themselves
- Getting credit from the public for helping others who can do the job without regard to their disability

## **Suggested Government Supports**

### **HEALTHCARE COVERAGE**

The participants were unanimous in their support for a more robust Medicaid Buy-In program.

### **REIMBURSEMENT FOR ACCOMODATIONS**

Participants suggested a tax credit or cash reimbursement for small businesses to offset the costs of accommodations.

### **ENCLAVES**

Three participants who have experience in the area strongly favor the use of enclaves for the developmentally disabled or persons who have disabilities that make it difficult for them to work independently.

### **PLACEMENT SERVICES**

Placement services that operate more like private placement services were recommended. In these private services, the organization continuously monitors the job market to find out what job skills are in demand and to create relationships with all areas of employment. Employment personnel prepare and test potential workers so that they can be matched to current market conditions. These conditions are in a constant state of change, and the placement personnel and potential employees must also constantly change.

It is very important to employers to know that the person they are hiring can do the work they are being hired to do. That often means passing some sort of test, and such tests are not always

available for persons using assistive technology to conduct their work. Such tests need to be developed. The state personnel who are responsible for doing placement work might benefit from association with the S.C. Association of Personnel and Placement Services, if they are not already doing so.

## **WORKING WITH EMPLOYERS**

Often, employers do not know what accommodations need to be made. State agencies could be of great help in making sure that the appropriate accommodations are made. In addition, state agencies can help train managers and other employees so that they appropriately communicate with persons with disabilities.

An example of what can be done is provided by a major international corporation. In the recent past, this corporation had a very active program to recruit and employ persons with disabilities. The company believed, correctly, that person with disabilities would largely be good employees who were loyal and happy.

The goal of the corporation was to have at least one disabled person at each of its hundreds of work sites. The company realized that it was not experienced at recruitment and employment of persons with disabilities and asked for help from agencies that work with the disabled. The coordination with agencies resulted in four outcomes.

- The agencies made sure the people they referred could actually do the work
- The agencies made sure that transportation was available
- The agencies made sure the appropriate accommodations were being made
- The agencies trained management and other staff on how to interact and communicate with persons with disabilities

## CONCLUSIONS

Employers are having an increasingly difficult time finding people who have a strong work ethic. If persons with disabilities are willing to work, show up on time and get the job done, employers would be willing to do what it takes to get them on the job. Under these circumstances, the employer gains an economic advantage, either an increase in revenues or decrease in costs. An economic advantage is essential for any business, especially a small business, to make a hiring decision. Anything that government can do to make that happen will make it easier for businesses to hire persons with disabilities.

Businesses need to feel that they will get good employees when they hire a person with disabilities. But they also need to believe that they will get the support they need for the hiring to work out. That may very well mean that government or other agencies will have to help with:

- Healthcare coverage
- Paying for accommodations
- Providing placement services
- Developing enclaves for the developmentally disabled and others
- Working with employers to
  - ensure the people agencies refer have the skills to do the work
  - assure that transportation is available
  - assure that the appropriate accommodations are being made
  - train management and other staff on how to interact and communicate with persons with disabilities

## RECOMMENDATIONS

1. That the SC Department of Health and Human Services modify the current Medicaid Buy-In Program for the Working Disabled to cover a larger number of people and to charge for the coverage on a sliding scale. (See Appendix Three for details.)
2. That the support services for placing persons with disabilities in jobs be modified to meet the needs of employers such as:
  - ensure the people agencies refer have the skills to do the work
  - assure that transportation is available
  - assure that the appropriate accommodations are being made
  - train management and other staff on how to interact and communicate with persons with disabilities
3. That the state devote more resources to offsetting at least some of the costs of accommodations for small businesses.
4. That the state put more effort into developing enclaves in which the developmentally disabled and others can work, including privately operated enclaves.

# **APPENDIX ONE DISCUSSION GUIDE**

# **INTERVIEW SCHEDULE –2006 MIG EMPLOYER**

## **GROUP INTERVIEW SCHEDULE**

### **INSTRUCTIONS**

This instrument is intended to be an interview schedule, not a questionnaire. That is, the interviewer will have a structured conversation with the respondent, in which the interviewer will use social history or anthropological interview methods to elicit information. There are certain areas that need to be covered in the interview. Those are stated in the schedule. The more information provided by the respondent without prompting, the better. If the respondent provides the information without a specific question being asked, there is no need to ask the question. Some prompts that can be used to further the conversation are:

“Anything else?”

“Can you tell me more?”

“Anything else – don’t worry about whether it’s right, just tell me what comes to mind.”

“Can you explain why?”

Begin by assuring confidentiality. Then explain that approximately 14% of working age persons in SC are disabled in some way. Tell the respondent that the MIG project is designed to identify and overcome barriers to employment for persons with disabilities. We interviewed persons with disabilities last year and found out what they think. This year we are trying to find out what business people think. We will pass what business people say to policy makers.

The barriers identified by the persons with disabilities were the need for health insurance (for example, waiting periods for pre-existing conditions,), transportation and attitudes of fellow employees.

#### **I. Experience with Persons with Disabilities**

- Can you tell me about your companies experience with persons with disabilities?

#### **II. What are Your Thoughts About the Health Insurance Issue? (Include information about Buy-In Programs)**

#### **III. What Are Other Barriers You See?**

#### **IV. What Are Advantages You See to Hiring Persons With Disabilities?**

#### **V. What Are Potential Disadvantages?**

#### **VI. What Could Government Do to Be Helpful in Hiring Persons with Disabilities?**

**APENDIX TWO**  
**2005 STUDIES EXECUTIVE SUMMARIES**

**A REPORT TO  
THE SOUTH CAROLINA DEPARTMENT  
OF HEALTH AND HUMAN SERVICES**

**THE COMPONENTS OF  
EMPLOYMENT SUCCESS AND FAILURE  
AMONG PERSONS WITH DISABILITIES  
IN THE STATE OF SOUTH CAROLINA**

**PART I: ELIGIBILITY DETERMINATION  
FOR MEDICAID**

**PRODUCED BY  
SYSTEM WIDE SOLUTIONS, INC.  
FOR  
THE COLLEGE OF SOCIAL WORK  
UNIVERSITY OF SOUTH CAROLINA**

**MARCH 31, 2005**

## EXECUTIVE SUMMARY

In March of 2004, the South Carolina Department of Health and Human Services (SC DHHS) received a \$500,000 Medicaid Infrastructure Grant (MIG) authorized by the *Ticket to Work and Work Incentives Improvement Act of 1999*. The goal of this MIG is to provide resources to break down the barriers that stand between people with disabilities and employment in the community. The MIG is governed by a Work Plan that includes 25 activities. Among these activities are three that are designed to create a base of information about the barriers that exist to persons with disabilities working and what factors account for success of persons with disabilities working. This report will ultimately consist of five parts. This first part will cover issues associated with the Medicaid eligibility process.

According to the U.S. Census Bureau, there are 514,963 working age persons with disabilities residing in the state of South Carolina. They make up 23% of the state's working age citizens. Almost half of these people (45%) are not currently employed. Many of these individuals who are not employed have job skills and want to work. These unemployed persons with disabilities are a resource that is not tapped by the State at this time. Each of these persons who enter the workforce becomes a tax payer who can provide greater support for him or herself and his or her family. These individuals can make South Carolina more competitive in the world economy.

A total of 70 persons with disabilities and eight persons who are responsible parties for persons with disabilities were interviewed individually or in groups. As far as practical, persons with all types of disabilities were included. In addition, the chiefs of the Bureau of Eligibility Processing and the Bureau of Beneficiary and System Support at the Department of Health and Human Services and two eligibility workers in the field were interviewed. All interviews were recorded, other than those with the bureau chiefs. Demographic and service information was gathered on the persons with disabilities and caregivers.

The recordings and notes of the interviewers were used to write process recordings of the interviews. The process recordings were read by three staff members. The staff members identified what they believed to be the issues raised and described in the interviews. The staff members then met and discussed the issues they identified until consensus was reached. Findings were then written. Upon the completion of the findings being written, the staff members developed their individual findings and recommendations. The staff members met and discussed the findings and recommendations until they reached consensus. The report was then finalized.

Several themes were identified from the interviews with persons with disabilities and the responsible parties. These are:

- Having health insurance is seen as a life or death issue by many persons with disabilities and the Medicaid eligibility decisions are therefore seen as decisions about whether they live or die.
- Recipients who qualify through the Working Disabled program recognize its worth.
- The application process is confusing and difficult to understand.

- Earnings and asset limits are counterproductive to providing incentives for working.
- There is great resentment about the intrusive nature of the eligibility process.
- The consumers have suggestions for improvements.

Several themes were also identified by the professionals interviewed. These are:

- Having health insurance is seen as a life or death issue by many persons with disabilities and the Medicaid eligibility decisions are therefore seen as decisions about whether they live or die.
- There are numerous barriers in the eligibility criteria to persons working.
- There are numerous barriers to eligibility workers doing their jobs well.
- The professionals have suggestions for improvements.

It is clear from the interviews with persons with disabilities, responsible parties and professionals that the Medicaid eligibility process and the rules that govern it do not support persons with disabilities seeking and keeping employment. The overwhelming thought in the mind of the person with disabilities who is trying to become eligible is that Medicaid may be the difference between living and dying. The overwhelming thought in the mind of the eligibility worker is that he or she must follow a complex and sometimes contradictory set of criteria. These two thoughts take precedence over everything else, including work for the person with disabilities.

Nine short term and three long term recommendations are made in the report. These are:

### **Short Term**

1. The complexity of the present system that serves persons with disabilities requires a great deal of knowledge and skills on the part of professionals to help persons with disabilities return to work. Many states have put a great deal of effort into hiring and training benefits coordinators who help persons with disabilities wend their way through the system. South Carolina has used federal funds to provide a few benefits coordinators at Vocational Rehabilitation. The services that benefits coordinators provide appear to be an essential part of helping persons with disabilities obtain and keep jobs. It is recommended that at least one worker in each SC DHHS area office be trained to be a benefits coordinator and given the authority to carry out those functions.
2. It is recommended that the on-line policy manual be programmed to allow for on-line search capability.
3. It is recommended that a wall-sized chart be designed that answers common questions and explains the various eligibility categories.
4. It is recommended that training on different disabilities be provided to eligibility workers along with training on being sensitive to the needs of persons with specific disabilities.

5. In order to provide more accurate information, it is recommended that eligibility workers be provided with knowledge about what is covered under Medicare, the TEFRA program, and other similar programs.
6. It is recommended that eligibility workers be trained on the work of other agencies such as Vocational Rehabilitation, the Department of Veterans Affairs, DDSN, and others that serve persons with disabilities.
7. It is recommended that eligibility workers be informed about the work of private community services such as free health clinics.
8. It is recommended that collaborative meetings at the local level among providers, agency staff and eligibility workers be held to exchange information in order to understand what each does and how they can cooperate to be more efficient and effective.
9. It is recommended that the automated system be modified after consultation with eligibility workers to determine the more common problems. Once upgrading is completed, the parallel paper system can be largely abolished.

### **Long Term**

1. It is recommended that a method be developed to allow persons with disabilities who work to pay a share of the costs of Medicaid coverage, the share to increase as their income increases.
2. It is recommended that a group of professionals and persons with disabilities, who are provided health care by Medicaid, be formed to develop recommended levels of income and assets for Medicaid eligibility. This group would have as its first priority balancing the costs and benefits of modifying these criteria so that persons with disabilities find it financially possible to work.
3. It is recommended that the policy manual be revised to make it more “user friendly” in determining eligibility.

**A REPORT TO  
THE SOUTH CAROLINA DEPARTMENT  
OF HEALTH AND HUMAN SERVICES**

**THE COMPONENTS OF  
EMPLOYMENT SUCCESS AND FAILURE  
AMONG PERSONS WITH DISABILITIES  
IN THE STATE OF SOUTH CAROLINA**

**PARTS TWO AND THREE: BARRIERS TO WORKING  
AND FACTORS ACCOUNTING FOR WORK SUCCESS  
AMONG PERSONS WITH DISABILITIES  
IN SOUTH CAROLINA**

**PRODUCED BY  
SYSTEM WIDE SOLUTIONS, INC.  
FOR  
THE COLLEGE OF SOCIAL WORK  
UNIVERSITY OF SOUTH CAROLINA**

**MAY 31, 2005**

## EXECUTIVE SUMMARY

In March of 2004, the South Carolina Department of Health and Human Services (SC DHHS) received a \$500,000 Medicaid Infrastructure Grant (MIG) authorized by the *Ticket to Work and Work Incentives Improvement Act of 1999*. The goal of this MIG is to provide resources to break down the barriers that stand between people with disabilities and employment in the community. The MIG is governed by a Work Plan that includes 25 activities. Among these activities are three that are designed to create a base of information about the barriers that exist to persons with disabilities working and what factors account for success of persons with disabilities working. A series of five reports will provide that base of information. This document includes the second and third parts of those reports, covering issues associated with barriers to working and the factors accounting for success at working as reported by persons with disabilities who are working and ones who are not.

In a time when South Carolina must compete economically with the entire world, the state cannot afford to overlook any potential worker. The skills and education of everyone of working age is important to producing a future that will allow South Carolina to achieve its economic objectives. According to the U.S. Census Bureau, there are 514,963 working age persons with disabilities residing in the state of South Carolina. They make up 23% of the state's working age citizens. Almost half of these people (45%) are currently not employed. Many of these individuals who are not employed have job skills and want to work. These unemployed persons with disabilities are a resource that is not tapped by the State at this time. Each of these individuals who enters the workforce becomes a taxpayer who can provide greater support for him or herself and his or her family. Over time, many of these individuals will no longer require health care or other support from the state, reducing costs and benefiting their fellow citizens.

Being productively employed has a high value in our society. With employment comes income and independence, but just as importantly, employment brings dignity, recognition, and personal pride. Persons with disabilities should be given the opportunity to enjoy these benefits of employment as much as anyone else in the state.

It has to be recognized at the outset, however, that there are many persons with disabilities who will not be able to work fulltime, or possibly at all, for physical or developmental reasons. It is everyone's responsibility to provide means and methods for those who cannot work in traditional employment to achieve everything they can achieve and not simply to discard their talents and experience.

The majority of persons with disabilities interviewed for this study want to be wage earners and contribute to their own financial support. The importance of work to feelings of independence and self-sufficiency emerged as a recurrent theme in their responses. Some persons with disabilities receiving SSDI or SSI voiced having ambitions for their careers and for their lives

that would not be possible if they “simply received their disability check.” However, fulfilling the desire to work was described frequently as very difficult and frustrating.

Among those persons with disabilities who were working full-time, a number expressed determination to be independent and financially self-supporting to the extent possible. Medical benefits are important for these individuals. Some of these working persons have private health insurance from their employers, but many require personal assistance or other aid in order to work, services not covered by health insurance. A few persons with disabilities interviewed who are working full-time have no health insurance and are aware that they are taking a risk if they are injured or become ill.

A total of 74 persons with disabilities and eight persons who are responsible parties for persons with disabilities were interviewed individually or in groups for this study. As far as practical, persons with all types of disabilities were included. All interviews were recorded. Demographic and service information was gathered on the persons with disabilities and caregivers.

The recordings and notes of the interviewers were used to write process recordings of the interviews. The process recordings were read by three staff members. The staff members identified what they believed to be the issues raised and described in the interviews. The staff members then met and discussed the issues they identified until consensus was reached. Findings were then written. Upon the completion of the findings being written, the staff members developed their individual findings and recommendations. The staff members met and discussed the findings and recommendations until they reached consensus. The report was then finalized.

Several major themes regarding barriers to employment for persons with disabilities were identified through this process. These themes are:

- The complexity of the current system makes it difficult to determine just what work is allowed and how working will affect benefits.
- Earnings and asset limits for Medicaid and other benefits are counterproductive to providing incentives to work and to accumulating capital to start a business.
- The current system discourages persons from working.
- Having health insurance is seen as a life or death issue by many persons with disabilities and potentially losing Medicaid eligibility or other health benefits if one goes back to work is a difficult decision to make.
- Often the kinds of jobs available to persons with disabilities are low wage ones that do not meet the financial needs that are met by benefits.
- Some employers have a negative attitude towards persons with disabilities.
- Some co-workers and some of the public have a negative attitude towards persons with disabilities.
- There is limited transportation for persons with disabilities.

The interviewees identified six themes about supports to their becoming and remaining employed. These themes are:

- Services from state and local agencies are often very helpful in becoming and staying employed.
- Employers are looking for certain skills and a certain level of education. Having the appropriate skills and education are essential to getting any particular job.
- Persistence and self-advocacy are necessary to getting and keeping a job.
- Employers must be receptive if the person with disabilities is to get a job.
- The support of the person with disabilities' family is also necessary for successful work.

A series of recommendations were developed to address these themes. The recommendations are:

1. The complexity of the present system that serves persons with disabilities requires a high level of knowledge and skill on the part of professionals to help persons with disabilities return to work. Many states have put a great deal of effort into hiring and training benefits coordinators who help persons with disabilities wend their way through the system. South Carolina has used federal funds to provide a few benefits coordinators at Vocational Rehabilitation. The benefits coordinators provided appear to be an essential part of helping persons with disabilities get and keep jobs. It is recommended that at least one worker in each SC DHHS area office be trained to be a benefits coordinator and given the authority to carry out those functions. It is recommended that benefits coordinators and consumers make wider use of technology to understand the complex system, such as the *WorkWorld* Software developed by the Employment Support Institute, School of Business, Virginia Commonwealth University.
2. It is recommended that a group of disability and health care funding professionals, business and financial leaders, elected officials, academic experts, and persons with disabilities be formed to develop a comprehensive response to the barriers that mitigate against persons with disabilities working and to further develop the positives that support persons with disabilities working. The beginning point for that group would be this series of reports. This group would have as its first priority balancing the costs and benefits of modifying these barriers and positives so that the state achieves the greatest possible use of the productive capacity of persons with disabilities and reduces the associated costs to the state. Among the issues that the group would examine are:
  - a. Income and asset limits for publicly supported health care for persons with disabilities.
  - b. Incentives and methods to increase the private health care coverage of persons with disabilities who are employed.
  - c. Private and public methods to support persons with disabilities who wish to start their own businesses.
  - d. Private and public methods to enhance the employment related training, education, and skill development of persons with disabilities.
  - e. Private and public methods for meeting the transportation needs of persons with disabilities who are working.

3. It is recommended that the fourth in this series of reports address the need to educate employers and fellow employees concerning persons with disabilities in order to overcome the negative work atmosphere experienced by some persons with disabilities.
4. It is recommended that continuing Medicaid Infrastructure Grant funding be secured for the following purposes:
  - a. To provide support to the group that will be developing the comprehensive response mentioned above.
  - b. To determine methods for overcoming the reluctance among some persons with disabilities to work and the reluctance of their families to support them in working.
  - c. To determine methods for encouraging employers to make the best possible use of persons with disabilities in their employment practices.
  - d. To determine the economic impact of persons with disabilities on the State's economy and the potential impact of increasing the number of persons with disabilities who are employed.
5. It is recommended that persons with disabilities who are attempting to become employed be offered the opportunity to take part in a self-advocacy training such as a modified version of the Partners in Policymaking curriculum funded by the Disabilities Council.
6. It is recommended that a method be developed to allow persons with disabilities who work to pay a share of the costs of Medicaid coverage, the share to increase as their income increases, with the ultimate goal of eliminating Medicaid costs entirely.

Persons with disabilities are now able to live and work who would not have done so seventy years ago, when the disability support system was established. Assistive technology and medical science have far outstripped the beliefs that undergird the current system. There have been attempts to adapt the system to the real world changes, and some, like the Americans with Disabilities Act (ADA), have been very successful. The fact remains, however, that the support system is a patchwork of laws, rules, regulations, policies and procedures, and attitudes that simply do not fit the facts with which persons with disabilities and all citizens must live. The world has changed in many ways, even in the last ten years, which makes it imperative that every person who can work be given the chance to add to the productive capacity of South Carolina.

**A REPORT TO  
THE SOUTH CAROLINA DEPARTMENT  
OF HEALTH AND HUMAN SERVICES**

**THE COMPONENTS OF  
EMPLOYMENT SUCCESS AND FAILURE  
AMONG PERSONS WITH DISABILITIES  
IN THE STATE OF SOUTH CAROLINA**

**PART FOUR: BARRIERS AND SUCCESS FACTORS  
AS REPORTED BY PROFESSIONALS IN THE FIELD**

**Produced by  
System Wide Solutions, Inc.  
for  
The College of Social Work  
University of South Carolina**

**July 31, 2005**

## EXECUTIVE SUMMARY

This report consists of five Parts. Part One, delivered on March 31, 2005, covered issues associated with the Medicaid eligibility process. Parts Two and Three, delivered on May 31, 2005, covered the barriers to working and the factors accounting for success at working as reported by persons with disabilities who are working and ones who are not. Part Four, delivered on July 31, 2005, reports the barriers and success factors as reported by professionals in the field. Part Five, to be delivered on October 15, 2005, will report on the findings of a survey of employers. A final summary of findings, conclusions, and recommendations will accompany the final report in October 2005.

In a time when South Carolina must compete economically with the entire world, the state cannot afford to overlook any potential worker. The skills and education of everyone of working age is important to producing a future that will allow South Carolina to achieve its economic objectives. According to the U.S. Census Bureau, there are 514,963 working age persons with disabilities residing in the state of South Carolina. They make up 23% of the state's working age citizens. Almost half of these people (45%) are currently not employed. Many of these individuals who are not employed have job skills and want to work. These unemployed persons with disabilities are a resource that is not tapped by the State at this time. Each of these who enter the workforce becomes a taxpayer who can provide greater support for him or herself and his or her family. Over time, many of these individuals will no longer require health care or other support from the state, reducing costs and benefiting their fellow citizens.

The primary research questions for Part Four are:

- What are the barriers to persons with disabilities working in South Carolina?
- What are the factors that lead to obtaining and maintaining employment among persons with disabilities in South Carolina?

There are three recommendations in the report.

1. It is recommended that at least one worker in each SC DHHS area office be trained to be a benefits coordinator and given the authority to carry out those functions. It is recommended that benefits coordinators and consumers make wider use of technology to understand the complex system, such as the *WorkWorld* software developed by the Employment Support Institute, School of Business, Virginia Commonwealth University.
2. It is recommended that methods be developed for overcoming the reluctance among some persons with disabilities to work and the reluctance of their families to support them in working. This should begin with coordinating with the existing work going on in this area, with additional work done to create solutions particular to South Carolina.
3. It is recommended that a group of disability and health care funding professionals, business and financial leaders, elected officials, academic experts, and persons with disabilities be formed to develop a comprehensive response to the barriers that mitigate against persons

with disabilities working and to further develop the positives that support persons with disabilities working. The beginning point for that group would be this series of reports. This group would have as its first priority, balancing the costs and benefits of modifying these barriers and positives so that the state achieves the greatest possible use of the productive capacity of persons with disabilities and reduces the associated costs to the state. Among the issues that the group would examine are:

- a. Income and asset limits for publicly supported health care for persons with disabilities.
- b. Incentives and methods to increase the private health care coverage of persons with disabilities who are employed.
- c. Private and public methods to support persons with disabilities who wish to start their own businesses.
- d. Private and public methods to enhance the employment related training, education and skill development of persons with disabilities.

**A REPORT TO  
THE SOUTH CAROLINA DEPARTMENT  
OF HEALTH AND HUMAN SERVICES**

**THE COMPONENTS OF  
EMPLOYMENT SUCCESS AND FAILURE  
AMONG PERSONS WITH DISABILITIES  
IN THE STATE OF SOUTH CAROLINA**

**PART FIVE: AN EXPLORATORY STUDY OF FACTORS  
INFLUENCING EMPLOYMENT OF PEOPLE WITH  
DISABILITIES AS REPORTED BY EMPLOYERS**

**Produced by  
System Wide Solutions, Inc.  
for  
The College of Social Work  
University of South Carolina**

***Funded by the CMS Medicaid Infrastructure Grant Program  
CFDA Number 93.768***

**December 15, 2005**

## EXECUTIVE SUMMARY

This report consists of five parts. Part One, delivered on March 31, 2005, covered issues associated with the Medicaid eligibility process. Parts Two and Three, delivered on May 31, 2005, covered the barriers to working and the factors accounting for success at working as reported by persons with disabilities who are working and ones who are not. Part Four, delivered on July 31, 2005, reports the barriers and success factors as reported by professionals in the field. Part Five, delivered on December 15, 2005, reports the findings of a survey of employers. A final summary of findings, conclusions, and recommendations will be delivered on January 31, 2006.

In a time when South Carolina must compete economically with the entire world, the state cannot afford to overlook any potential worker. The skills and education of everyone of working age is important to producing a future that will allow South Carolina to achieve its economic objectives. Almost half of the 514,963 SC residents with disabilities are currently not working although many of these individuals have job skills and want to work. These unemployed persons with disabilities are a resource that is not tapped by the State at this time. Each of these who enter the workforce becomes a taxpayer who can provide greater support for him or herself and his or her family. Over time, many of these individuals will no longer require health care or other support from the state, reducing costs and benefiting their fellow citizens.

The primary research questions for Part Five and the answers to these research questions are:

1. Do employers seek out individuals with disabilities to employ?

Few employers in South Carolina seek out people with disabilities to employ. Those employers that do are more likely to be government agencies. Employers that employ people with disabilities are more likely to seek them out through a referral source or through job fairs.

2. Do employers attempt to match particular disabilities with particular jobs? If so, what are these disabilities?

Over one third of employers attempt to match persons with particular disabilities with particular jobs. However, nearly half of employers believe that the work conducted in their places of employment cannot be effectively performed by individuals with disabilities.

Employers provided several examples of matching persons with particular disabilities with particular jobs. However, it is unknown how often this type of matching occurs and the extent to which it was successful for both the person with the disability and the employer.

3. What do employers see as the advantages to hiring workers with disabilities?

The main advantages employers noted in regards to hiring persons with disabilities are the quality of work they provide and the benefits that employment provides to persons with disabilities, the organization, the economy, and the community.

4. What do employers see as the disadvantages of hiring workers with disabilities?

The main disadvantages employers noted in regards to hiring persons with disabilities are additional costs, additional time, safety issues, efficiency problems, and the belief that the job cannot be performed by persons with disabilities.

5. What barriers to the employment of persons with disabilities can employers identify?

The barriers to hiring persons with disabilities were the same as the disadvantages to hiring persons with disabilities.

6. What solutions to these barriers can employers identify?

Employers noted several ways to make it easier to employ persons with disabilities, such as monetary assistance or incentives, education and training of persons with disabilities to carry out the work that is available, training of the workforce to be more accepting of persons with disabilities, job matching services, and making accommodations. It should also be noted that some of the barriers that employers noted are as much matters of perception as of fact, and changing perceptions should change employment possibilities.

Other findings are:

1. Employers that understand the law are more likely to hire persons with disabilities. Large and medium for-profit businesses and government agencies have a better understanding of the ADA than small for-profit businesses.
2. Employers that already employ persons with disabilities are more likely to be open to hiring other persons with disabilities.
3. Employers that match persons with particular disabilities with particular jobs are more likely to incur extra costs as a direct result of hiring persons with disabilities; however, the additional cost does not seem to deter the employers from seeking to employ persons with disabilities.
4. Employers that currently employ persons with disabilities are more likely to state that hiring persons with disabilities provides a benefit to the organization.
5. For-profit employers more likely disagree that their organization's work can be effectively performed by persons with disabilities than non-profit and government employers.
6. Larger for-profit companies, government agencies and non-profit organizations are more likely to hire persons with disabilities. Small for-profit companies are least likely and least amenable to the idea.
7. Since for-profit employers interviewed on the telephone were more likely to agree that hiring people with disabilities meets organizational personnel needs by filling vacancies, that hiring individuals with disabilities enhances the corporate image and demonstrates a commitment to

the community, and that hiring people with disabilities reflects the organization's commitment to corporate social responsibility (the social desirability effect), it is possible that this effect could be used to motivate for-profit businesses to hire more persons with disabilities.

8. The size of the sample allows reasonable conclusions for employers as a whole, but not for sub-groups of employers.
9. The responses to the open-ended questions were so varied that no definitive conclusions can be reached based on them. However, they do raise a number of questions that should be examined and developed for further possible study.

There are four recommendations in the report. These are:

1. It is recommended that motivating for-profit employers to hire persons with disabilities through the use of the desirability of doing so for the employer, the community and the person with the disability be explored. This process should begin through further discussion with employers to clarify how they perceive the employment of persons with disabilities as being beneficial to the organization and how these benefits impact hiring decisions.
2. It is recommended that this study be repeated with small and medium sized for-profit organizations with the help of business organizations such as Chambers of Commerce.
3. It is recommended that a group of disability and health care funding professionals, business and financial leaders, elected officials, academic experts, and persons with disabilities be formed to develop a comprehensive response to the factors that employers perceive as helpful and harmful to the hiring and retention of persons with disabilities. The beginning point for that group would be the findings in this series of reports. This group would have as its first priority balancing the costs and benefits of modifying the barriers and benefits of hiring persons with disabilities so that the state achieves the greatest possible use of the productive capacity of persons with disabilities and reduces the associated costs to the state.
4. It is recommended that the responses to the open ended questions be analyzed further and used to develop qualitative methods to gather additional data to understand how for-profit employer make decisions about hiring persons with disabilities.

**APPENDIX THREE  
BUSINESS AND FINANCIAL LEADERS  
INTERVIEWED**

Mr. Keith Appel  
President  
Remote Tools Inc.

Ms. Dottie Karst  
President  
Charles Foster Staffing

Mr. Andy Cox  
CEO  
SC Methodist Conference Credit Union

Mr. Frank Knapp, Jr.  
President  
South Carolina Small Business  
Camber of Commerce

Mr. John Easterling  
President  
Pulliam Investment Company

Mr. Nelson J. Marchioli  
President and CEO  
Denny's Corporation

Mr. Ike McLeese  
President  
Greater Columbia Chamber of Commerce

One member of the group wished to remain anonymous.

**APPENDIX FOUR  
MEDICAID BUY-IN PROGRAM FOR PERSONS  
WITH DISABILITES DETAILS**

## **EMPLOYMENT OF THE DISABLED AND THE MEDICAID BUY-IN PROGRAM**

South Carolina, as the Governor recently said, faces an economic anomaly. The state has created jobs at a phenomenal rate over the last three years, yet has a relatively high unemployment rate and relatively low per capita income. There are places in the state, such as the coast, that are at full employment. While there is probably no single answer to these apparent contradictions, one possibility is that South Carolina does not have the potential employees with the appropriate education and skills in the right places at the right time.

One part of the answer to this problem would be bringing into the employment market untapped populations of potential workers who are not employed, such as persons with disabilities. According to the most recent report from the Census Bureau, 14.15% of all working age persons in South Carolina have disabilities. Of these, 31.9% are employed. Among working age persons who are not disabled, 74.3% are employed.

Changes in health care, technology, social attitudes and employer needs now make it possible for persons with disabilities to work who could not work in the past, but many apparently do not. On-going research under the Medicaid Infrastructure Grant in South Carolina is identifying what the barriers are that are keeping persons with disabilities from working. From both the disabled and employers' points of view, the number one impediment is health care coverage. The first step in getting persons with disabilities employed must therefore be to overcome the health care coverage barrier.

Fortunately, there is a way to do this by modifying the present Medicaid for the Working Disabled program of the SC Department of Health and Human Services. This type of program is commonly called a Medicaid Buy-In program, in that federal law allows states to charge persons who are disabled and become employed for their Medicaid coverage. As things usually stand, when someone who is disabled and is receiving Medicaid begins to make more money, they lose their Medicaid. Their employer may not have health insurance, or may not be able to cover the individual. Hence, a disincentive to work is created.

States can establish Buy-In programs either under the Balanced Budget Act of 1997 (BBA) or the Ticket to Work and Work Incentives Improvement Act of 1999 (the Ticket Act). Each one makes Medicaid coverage available to workers with disabilities who are otherwise ineligible because of income or assets. By raising income and asset eligibility levels, both laws allow low-income adults with disabilities to retain their health care benefits as their earnings rise. This reduces the disincentive to work created by the possibility of losing Medicaid coverage after becoming employed.

Under the BBA, states can add a Buy-In program to their regular Medicaid program by creating a new eligibility group for adults with disabilities who are working but do not qualify for Medicaid because their income or assets are too high. Eligibility is based on

two financial criteria: (1) net family income must be less than 250 percent of the federal poverty line after the appropriate income disregards are applied and (2) an individual's monthly countable unearned income must be less than the benefit amount for the Supplemental Security Income (SSI) program). This is what South Carolina has done. South Carolina also chose not to charge for the Medicaid coverage. The program has not been terribly successful, for a number of reasons, and has approximately 35 persons enrolled in it.

Under the Ticket Act, states can establish their own income and asset standards, including having no income limits at all. This is called the Basic Coverage Group. The Ticket Act also adds a new eligibility group called the Medical Improvement Group. This group covers individuals who lose eligibility under the Basic Coverage Group because they have a medical condition that has improved to the point at which the Social Security Administration (SSA) determines that he or she no longer has a disability. The states which have more successful Buy-In programs have used this method for establishing their programs. Using this method, there is a potential for an increase in the number of Medicaid recipients, although a study from the University of South Carolina Darla Moore School of Business estimates that 85% of enrollees would simply transfer from another Medicaid category and go to work, and any increase in costs would be more than made up for through increased economic activity, even if the recipients were not charged for the Medicaid coverage. If the recipients were charged on a sliding scale according to income, people who now receive their Medicaid for no cost would be paying for at least part of it.