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Chapter 6 COMPENSATED WORK THERAPY

6.01 Introduction

The Compensated Work Therapy (CWT) program is a Veterans Health Administration (VHA) vocational rehabilitation program that endeavors to match and support work-ready Veterans in competitive jobs, and to consult with business and industry regarding their specific employment needs. In some locations, CWT is an umbrella term and does not refer to any specific vocational component or service. Since 1983, the CWT program and the Vocational Rehabilitation and Employment (VR&E) program have collaboratively served severely disabled Veterans with a mental health diagnosis through local partnerships. This chapter is a summary of the partnership between VR&E and the CWT program, CWT program information, participation requirements, services provided, relationship between the CWT program and industry, process to refer Veterans to CWT and vice versa, incentives to participate and benefits of a VR&E/CWT partnership. This chapter also references laws and regulations that cover the CWT program.

6.02 References and Resources

Laws:	38 United States Code (U.S.C.) 1718 Americans with Disabilities Act
VA Forms (VAF):	VAF 28-1900, Disabled Veterans Application for Vocational Rehabilitation VAF 28-8861, Request for Medical Services
Resource:	VHA Handbook 1160.01 Uniform Mental Health Services VHA Handbook 1163.02, July 1, 2011, Therapeutic and Supported Employment Services Program
Website:	http://www.va.gov/HEALTH/cwt/locations.asp

6.03 Vocational Rehabilitation and Employment (VR&E) and Compensated Work Therapy (CWT) Partnership

The partnership between the CWT Program Manager and Vocational Rehabilitation and Employment Officer (VREO) is very important in preparing Veterans for employment. Development of a relationship between VR&E and the CWT program will ensure an understanding of available services and time-frames. Two key activities that can bring the departments together to establish consistent practices include:

- Developing an understanding of how each program works
- Identifying a referral/follow-up process between departments

Veterans Benefits Administration (VBA) Vocational Rehabilitation Counselors (VRCs) and VHA Vocational Rehabilitation Specialists (VRSs) need to be able to exchange information and develop a comprehensive understanding of each program. The more each other's program is understood, the easier it will be to establish collaboration between offices.

6.04 Definitions

a. Compensated Work Therapy (CWT)

CWT is a recovery-oriented, vocational model in the continuum of VHA work restoration services authorized by 38 U.S.C. 1718.

b. Supported Employment (SE)

SE is an evidence-based clinical model that helps individuals with serious mental illness or physical impairments co-occurring with mental illness to engage in competitive employment in the community.

c. Transitional Work Experience (TWE)

TWE is a work program in Veterans Administration Medical Centers (VAMCs) or in the community to enable participants to gain work experience and work hardening while in CWT therapeutic rehabilitation treatment that prepares Veteran participants for community employment.

d. Veterans Construction Team (VCT)

VCT is a form of transitional work that completes renovation and construction projects for VA and other Federal organizations under the supervision of experienced tradespersons

e. Incentive Therapy (IT)

IT is a pre-vocational program for Veterans to perform work at VAMCs.

f. Vocational Assistance

Vocational assistance is a set of assessment, guidance, counseling, or other related services that may be offered to groups or individuals; these services

are designed to enable Veterans to realize skills, resources, attitudes and expectations needed to prepare for searching for employment, succeeding in the employment interview process, and succeeding in employment.

g. Vocational Rehabilitation Specialist (VRS)

A VRS is a person who locates and provides suitable training and placement services for CWT participants; the VRS is responsible for placing the individual into training, prescribing the number of hours, determining whether the program needs adjustment in light of the individual's progress, and arranging for adjustment of the training content in certain situations; the VRS is also responsible for interrupting or discontinuing the Veteran's participation if deemed necessary.

h. Employment Specialist (ES)

An ES conducts job development and job search activities directed toward positions that are individualized to the interests and uniqueness of the people on his/her caseload; the ES also develops the individual employment plan with the client with input from his/her mental health worker, other treatment team providers and family members.

i. Americans with Disabilities Act (ADA)

ADA is a civil rights law that protects individuals with disabilities from discrimination in the workplace, school and other settings.

6.05 Program Information

The main components of CWT are Transitional Work Experience (TWE) and Supported Employment (SE) services. According to VHA Handbook 1160.01 Uniform Mental Health Services, every VAMC must offer CWT with TWE and SE services to Veterans with occupational dysfunctions resulting from mental health conditions, or who are unsuccessful at obtaining or maintaining stable employment patterns due to mental illnesses or physical impairments co-occurring with mental illnesses.

CWT programs strive to maintain highly responsive long-term quality relationships with business and industry. Many of the individual programs are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) and are members of the U.S. Psychiatric Rehabilitation Association (USPRA). Typically, CWT programs are located within VAMCs in most large metropolitan areas and many smaller communities (see <http://www.va.gov/HEALTH/cwt/locations.asp> for site locations).

6.06 Program Participation Requirements

In order for a Veteran to participate in the CWT program, he/she must have:

- An occupational dysfunction resulting from a mental health condition which may also be occurring with physical disabilities (service or non-service connected) and be participating in a VHA mental health treatment program.
- An interest in developing work skills regardless of their psychiatric diagnosis, symptoms, work history or cognitive impairment.
- An order (or consultation) sent by a privileged provider to the CWT program to authorize services.

NOTE: There is no requirement for a Veteran to have a VA disability rating to participate in CWT.

6.07 Veteran Services and Skill Set

a. Services

CWT supports Veterans through vocational case management and workplace supports to facilitate continued employment success. The goal of the CWT program is to provide a realistic and meaningful vocational opportunity to Veterans; encouraging successful reintegration into the community at the Veteran's highest functional level by offering the following services:

- State of the art vocational rehabilitation services
- Job matching and employment supports
- Vocational case management
- Work site and job analysis
- Consultation regarding assistive technology
- Reasonable accommodation
- Guidance in addressing Americans with Disabilities Act (ADA) regulations compliance
- Supported Employment (SE)

- Transitional Work Experience (TWE)

b. Skill Set

CWT program participants provide employers with a wide range of skills to include:

- Labor services for semi-skilled and unskilled positions in, but not limited to, information technology, office management, clerical, retail, manufacturing, construction, production, warehousing, manual labor, food services, etc.
- On and off site assembly and sub-assembly.
- On and off site custom packaging.
- Reclaiming and recycling services.
- Inspection, grading and sorting products for industry.

6.08 Supported Employment (SE)

The CWT Supported Employment (SE) program serves Veterans with significant barriers to competitive work to be able to engage in full and part time employment with appropriate supports and work place accommodation. This form of vocational rehabilitation should be considered an integral component early in mental health treatment for those individuals interested in returning to work. Job supports continue for the time that fits the individual's needs, rather than terminating at a set point after becoming employed.

Program Elements include the following:

- Services are provided in the community rather than in clinical settings.
- Job loss is not a reason to terminate services, but rather a learning experience to help determine a better job fit. One important feature in SE services is its level of staff support; operating similar to a "free" employee assistance program for a company.
- The role of the Employment Specialist (ES) in the provision of SE is a generalist providing vocational case management, job development, and employment and support services. The ES helps Veterans find jobs matching their interests and abilities; identifies and addresses employment barriers; and provides on-going support as needed.

6.09 Transitional Work Experience (TWE)

Transitional Work Experience is a component of CWT which provides participants with work restoration services in actual work settings. The goal of TWE is to provide supports and resources needed for a Veteran to successfully transition to and be successful in competitive employment.

a. Screening

TWE participants are screened by vocational rehabilitation staff, and matched to a work assignment for a limited time as deemed clinically appropriate. Work may be provided in the community, or at the local VAMC. Work assignments include any of a wide variety of settings; grounds maintenance, housekeeping, non-sensitive clerical duties, etc.

b. Worksite Development

Program managers are strongly advised to develop worksites in a variety of settings in the community to balance those on medical center grounds. Community-based settings provide a more realistic work environment and are more likely to lead to competitive community based employment.

It is important for CWT staff to maintain a close working relationship with the participating organization providing the work setting, and visit Veterans at the worksite on a weekly basis to provide regular support unless assessment deems more frequent visitation necessary.

c. Wages

Payment for work performed is based on an hourly wage. Hourly wages and work performance must be reviewed annually in relation to the prevailing wage rates for similar work in the community and the Veteran's productivity. Base pay is determined by Federal minimum wage laws and the progress toward their treatment objective. In States having a minimum wage which exceeds Federal minimum wage, State minimum wage must be utilized as the base rate for determining hourly pay.

d. Working Conditions and Logistics

Work opportunities are negotiated by CWT staff with public or private entities. Programs must ensure that the following issues are addressed:

- Adequate worksite supervision and training are provided.

- Reasonable job and worksite accommodations are considered and used.
- Existence of a safe and healthy worksite is confirmed.
- Appropriate safety training and apparatus are provided.
- Physical accessibility is confirmed.
- Transportation accessibility is confirmed.
- Competitiveness of work tasks and demands are reviewed.
- Clinical appropriateness of work tasks and demands are reviewed.
- Medical clearance for program participation is obtained.
- Veterans do not have unauthorized access to information protected by confidentiality statutes, regulations and policy.
- Workplace culture is identified and considered for appropriateness.

6.10 Compensated Work Therapy and Employers

The CWT program provides a cost effective means of achieving a company's production goals of managing costs and improving service delivery, while maintaining high quality standards.

Using a business model, CWT program staff members specialize in working with facility management, human resource, and/or production personnel to address labor force deficits in the following areas:

a. Cost Management

1. Additional Workforce

- Readily available competitive, semi-skilled and skilled labor for short term and permanent assignments.
- Veteran workers are pre-screened and matched to the specific job requirement.
- There is little risk for the company working with the CWT TWE program since the employer/employee relationship is non-existent, and there is no mandated obligation to hire the Veteran; however,

Veterans typically demonstrate their value to the participating company which often results in permanent hires.

2. Reduction of Overhead Costs

- With the CWT TWE program, there are none of the normal employee costs like health care, workers' compensation insurance, vacation and sick time, Federal Insurance Contributions Act (FICA), and job vacancy advertising.
- Training and employee assistance are provided at no cost to the company.
- Comprehensive medical costs are covered by the VA.

b. Service Availability

The CWT Veteran labor force is available to help employers meet peak or unexpected workload demands.

6.11 Incentives to Participate

It is important to remember that the TWE program is a therapeutic rehabilitation program and is not considered employment. Veterans participating in the TWE program have certain benefit protections unique to the program. The Social Security Administration (SSA) considers the TWE program a medical service. Therefore, the participant's income is excluded from Social Security Insurance (SSI) as income and does not impact Social Security Disability Insurance (SSDI) benefits. The Internal Revenue Service (IRS) considers TWE income non-taxable and therefore the VA does not withhold FICA tax, nor does it issue a 1099.

Veterans employed through the SE program are considered employees and as such, their wages can impact SSDI, SSI and are subject to IRS tax withholding.

38 U.S.C 1718(G) states that the CWT program is not considered substantial gainful employment and cannot be used as a basis for the denial or discontinuous of a total disability rating for either compensation or pension. This protection exists as long as the Veteran is receiving either TWE or SE services through the CWT program.

6.12 Developing a Referral Process

The VREO is the primary contact for referring a CWT participant to VR&E, although they can delegate this task after a referral process has been

established. The CWT Program Manager is the primary contact for referring VR&E Veterans to the CWT program, although he/she can delegate this task to a CWT VRS after a referral process has been established. It is important for VREOs and CWT Program Managers to develop effective referral and collaboration processes. Non-case management contact between VRCs and VRSs is a best practice utilized by offices with established collaborations. Specific steps to take to develop a referral process include:

- Interagency “Meet and Greet”
- Visiting a CWT Program if a program is located near the VR&E office
- In-service
- Joint meetings
- Interagency training lasting 10 to 15 minutes on a topic with time for questions
- Conference calls
- Attending office staff meetings
- Informal calls

Contact between departments creates the opportunity for VRCs to gain a better understanding of the CWT program. It also strengthens professional relationships between departments of the agency and fosters networking.

6.13 Developing the Referral/Follow-up Process

Taking the time to identify a referral process that is specific is very important. It can be confusing and frustrating just trying to figure out who to call or what to do when attempting to make effective referrals to an outside agency. VR&E offices and CWT programs have the freedom to identify a process that fits their potential working relationship. Below is a sample referral process:

a. VR&E Referral to CWT Program

1. VRC will meet with Veteran and introduce him/her to the CWT program and discuss situations in which it would be beneficial to the Veteran. The program may be used in an Individual Extended Evaluation Plan (IEEP) such as could be afforded through a TWE placement. A Veteran with a

severe mental illness (psychosis) and needs extensive monitoring and/or a job coach may be better suited for the SE program.

2. Following the referral procedures developed by the VREO and the CWT Program Manager (or designee), the VRC will prepare referral information prior to contacting CWT so it can be sent via e-mail or facsimile once the referral is made.
 3. VRC will contact the CWT contact (Program Manager or designee) to discuss information regarding why the identified Veteran is a potential CWT participant.
 4. The CWT contact will verify if the Veteran is actively receiving mental health services.
 5. The VRC will complete a VAF 28-8861, Request for Medical Services (see Appendix O, VA Forms), and e-mail or fax it to the CWT contact.
 6. The CWT VRS will contact the VRC:
 - After the Veteran has been contacted.
 - After the "Vocational Rehab Consult" has been received from the mental health provider.
 - When the Veteran is ready to enter into CWT program plan development.
- b. CWT Program Referral to VR&E
1. The CWT Program Manager or designee will identify a potential candidate for VR&E services.
 2. The CWT Program Manager or designee will prepare referral information prior to contacting VR&E so it can be sent via e-mail or fax once the referral is made.
 3. The CWT Program Manager or designee will contact the VR&E contact (VREO or designee) to discuss information regarding why the identified Veteran is a potential participant.
 4. The Veteran will complete a VAF 28-1900, Disabled Veterans Application for Vocational Rehabilitation (see Appendix O, VA Forms), and the CWT Program Manager or designee will fax it to the VR&E contact.

5. VR&E will send an electronic copy of the orientation appointment letter to the CWT Program Manager or designee.
6. The CWT VRS may attend the initial VR&E meeting.
7. The VRC will provide a copy of the entitlement letter to the CWT contact when it has been determined that Veteran has been found entitled to VR&E services.
8. The VRC will notify the CWT contact when a rehabilitation plan is written.

6.14 Follow-Up

a. CWT to VR&E

- If the Veteran is in an IEEP, the VRS will provide the VRC with a bi-monthly report by e-mail or phone.
- The VRS will contact the VRC when difficulties arise or changes occur.
- The VRC and VRS may hold joint meetings if plan changes arise.

b. VR&E to CWT

- The VRC will provide a monthly progress report to the VRS while the Veteran is a CWT participant.

6.15 Benefits of VR&E/CWT Partnership

- Veterans with severe disabilities will have a wider range of services available to meet their needs and increase potential to successfully obtain and maintain employment.
- Specialized programs work more effectively because of knowledge, training and experience, and exposure to appropriate resources.
- Partnering between VA departments creates a stronger organization, and cuts costs because services are utilized within rather than through external program contracting.