



Our NE CARES program celebrated “CaresGiving” the week before Thanksgiving. We think the cake says it all!

Annual Report for FY18 July 1, 2017 - June 30, 2018 Presented by Steve Hodapp, CEO

To provide services to persons with disabilities in order that they may live, work and participate in the community in the least restrictive environment to achieve their full potential.

That’s Vodec’s mission statement.

It’s in the front of our minds every day. It’s what drives all of us, from our direct service professionals right up to our board of directors — to do the best we can in service to the persons entrusted to our care.

This is a reporting of some significant experiences from Fiscal Year (FY) 2018 in support of our mission statement.

Some of these were of our own

creation. Some happened to us. In all experiences, we handled ourselves with dignity while offering respect and compassion to persons with whom we engaged.

One of the hottest topics for us is the Centers for Medicaid and Medicare Services’ (CMS) settings rule, which becomes enforceable in March 2022.

According to CMS, the rule is meant to ensure that Medicaid’s home and community-based services (HCBS) offered in residential and non-residential settings provide full access to the benefits of community living and offer services in the most integrated of settings.

Our initiative to meet the settings

rule started in 2017. It continues to include a gradual out-migration of consumers from our facility-based pre-vocational service.

Those consumers are presented an opportunity to participate in our supported employment or our day habilitation services, both of which offer integrated settings.

They also have the opportunity to remain in pre-vocational service so long as participation is allowed by CMS, which looks like March 2022.

We’ve also divested ourselves of all Vodec-owned residential property with the exception of one duplex in Council Bluffs, Iowa. Consumers

(continued on page 2)

in this duplex receive our Home and Community Based (HCBS) residential service.

In FY18, we learned all service rates would be adjusted sometime in 2019 in Nebraska and the HCBS supervised community living (SCL) rates in Iowa on March 1, 2019. New rates will be built on a tier system.

A consumer will be placed on a particular tier based on outcome of an assessment by the respective state of the consumer's skills.

This process will increase or decrease a level of service which can be provided to a consumer. It will impact service-fee revenue for Vodec, which drives the service delivery to consumers.

In July 2017 in Nebraska, transportation funding for consumers in day habilitation services was switched by the state from day hab rates to residential service rates.

Eventually, this had a negative impact on our day services' census. Some providers of residential services to some of our day hab consumers seemed to arbitrarily move those consumers to their own day hab services to avoid paying the transportation expense.

Also in July, we sold a house in Omaha, Neb., we'd been using as a three-person group home. This leaves us one owned residential property — a duplex in Council Bluffs.

In August 2017, we leased space in Urbandale, Iowa, to provide day habilitation and pre-vocational services.

Serendipitously, at the same time we assumed provision of day habilitation service to consumers whose provider abruptly closed in Adel, only a few miles from Urbandale.

Also in August, Nebraska's Long-Term Care Re-Design Plan became final. CMS still has to approve it.

Of particular interest was a consultant's recommendation that consumers with intellectual and/or developmental disabilities (I/DD) (phase 2 populations) be enrolled into the MLTSS (Managed Long Term Services and Supports) program. This is managed care. Based on stakeholder feedback, this may be delayed until January 1, 2021.

In October 2017, we closed the office we'd opened in 2016 in Adel and merged all central Iowa operations into the new Urbandale location. We had been providing residential and pre-vocational service out of the Adel office.

In November 2017, we finished an internal audit of our production sales process. We discovered we were not priced adequately on some jobs with some customers. So, we began to get adequate pricing accomplished.

We learned we had customers who were willing to pay the adequate pricing, and we had customers who wanted us to



In June, Vodec's Urbandale office was honored by the local Chamber of Commerce with a ribbon-cutting.

continue to subsidize them with inadequate pricing. The latter group was released.

Also in November, Vodec was selected as one of only four Iowa providers to participate in the 2018 Office of Disability and Employment Policy (ODEP) Employment First Grant. We were selected by the Iowa Division of Rehabilitation Services.

This is the fifth year that Iowa has received Department of Labor, ODEP, funding to assist in Employment First efforts. Vodec was also in the first group as one of 12 providers.

The project provided the four participating providers technical assistance to improve awareness, understanding and implementation of effective customized employment strategies built around Discovery and Person-Centered Planning leading to community employment for consumers.

At the end of November, AmeriHealth Caritas (AC) closed its Iowa operations. AC was one of three managed care organizations (MCOs) with which Iowa DHS contracts to manage its Medicaid money through Iowa Health Link.

This was terribly disruptive to over 200,000 Iowa Medicaid members, including Medicaid members/consumers served by Vodec, who had been supported by AC.

Most were assigned by DHS to United Health Care (UHC) until Amerigroup increased its capacity and could then take some of the members from UHC.

Iowa Total Care, a Centene division, will replace AC on July 1, 2019. Consumers will then again be reshuffled amongst the three MCOs.

In March 2018, our application to Nebraska Vocational Rehabilitation for a joint venture to serve 20 Omaha Public Schools (OPS) special needs students was approved.

The venture provided employment skills training at these
(continued on page 3)

**STATEMENT OF ACTIVITIES
(SUMMARY)**

JUNE 30, 2018 AND 2017

	FY18	FY17	FY18 Var
<i>Unrestricted Net Assets</i>			
Program, Grant & Contr. Rev.	14,733,250	13,606,594	1,126,656
Workshop Fees, net	700,522	659,375	41,147
Other	129,664	133,758	(4,094)
Net Assets Released from Restriction	—	—	—
Total Support & Revenue	15,563,436	14,399,727	565,675
<i>Expense</i>			
Program Services	13,115,157	12,666,928	448,229
Supporting Services	1,637,360	1,394,078	243,282
Total Expenses	14,752,517	14,061,006	691,511
<i>Change in Unrestricted Net Assets</i>			
Net Assets	810,919	338,721	472,198
<i>Temporarily Restricted Net Assets</i>			
Net Assets Released from Restriction	—	—	—
Change in Net Assets	810,919	338,721	472,198
Net Assets, Beginning of Year	5,995,877	5,657,156	979,534
Net Assets, End of Year	6,806,796	5,995,877	810,919

Omaha locations: Vodec's F Street site, Pets R Us, Family Fun Center and Scheels All Sports.

The project involved six part-time temporary people from OPS including special education teachers and para-professional staff.

In May 2018 in Nebraska, we learned from Nebraska's Division of Developmental Disabilities (DDD) that we will have to end our practice of subcontracting transportation for our day services' consumers. A firm date has not been set but it is thought to be sometime in 2019.

We are told the change is because some years ago Nebraska did not choose to become an Organized Health Care Delivery System (OHCDS) and transportation cannot be subcontracted using Medicaid funding.

This requires us to build a small fleet of vehicles and hire drivers, a process started in December 2018.

In June 2018, the Urbandale Chamber of Commerce hosted an open house and ribbon-cutting ceremony at our Urbandale location.

The event was well-attended and gave us opportunity to meet many of our Urbandale business neighbors.

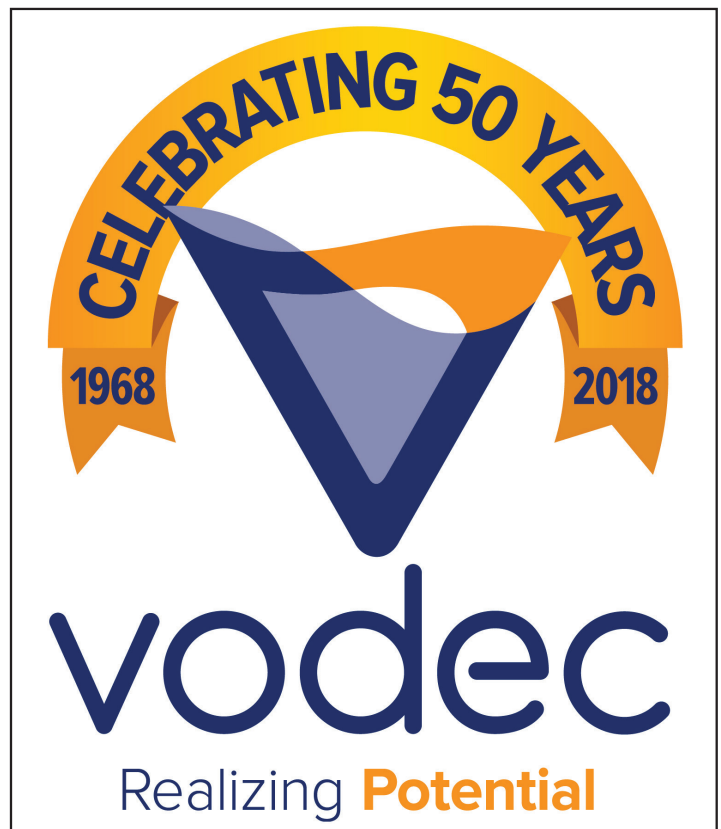
That same June in Iowa, we ended our 15-minute SCL (Supported Community Living) residential service. The impacted consumers were assisted in securing alternative services from Vodec and other providers.

(continued on page 6)

**STATEMENT OF FINANCIAL POSITION
(SUMMARY)**

JUNE 30, 2018 AND 2017

	FY18	FY17	FY18Va
<i>Assets</i>			
Total Current Assets	5,722,040	4,853,891	868,149
<i>Property & Equipment</i>			
Total Property & Eqpt	5,336,132	5,467,401	
Less Accumulated Depreciation	(2,517,251)	(2,340,023)	(308,497)
	2,818,881	3,127,378	
<i>Other Assets</i>			
Security Deposit	10,393	1,300	
TOTAL ASSETS	8,551,314	7,982,569	568,745
LIABILITIES AND NET ASSETS			
Current Liabilities	1,095,189	1,261,233	
Long Term Liabilities	649,329	725,459	
Total Liabilities	1,744,518	1,986,692	(242,174)
<i>Net Assets</i>			
Unrestricted	6,806,796	5,995,877	
Temporarily Restricted	—	—	
Total Net Assets	6,806,796	5,995,877	810,919
TOTAL LIABILITIES AND NET ASSETS	8,551,314	7,982,569	568,745



Vodec is celebrating its Diamond Anniversary in 2018-19.

SUCCESS STORY:

Llanas Named Employee of the Year by Peers

Last year, Javier Llanas applied for Supported Employment services at Vodec's Council Bluffs location.

Now, a year later, he's been honored as the Employee of the Year — as chosen by his peers — at HyVee.

Javier explained that he had acquired a community job independently several years ago, but it wasn't a good fit and he didn't have enough support.

He later told his Supported Employment specialist, Samantha Warner, that it was a high-stress job and he had a hard time with unsupportive co-workers and difficult customers.

He decided to quit that job and enter into Vodec's Pre-Vocational program to work on refining his skills that would help him succeed at a future job.

Last year, he felt confident enough in his progress to start looking for a community job as long as he had some additional support.

In August 2017, Javier interviewed and was offered a job at HyVee on West Broadway in Council Bluffs.

He was excited, and right away it was evident that his peers enjoyed his positive and sweet personality.

His job coaches were told countless times about



how kind and helpful Javier is with his co-workers and customers. He goes out of his way to help people all of the time.

Last December, the Supported Employment staff got a tip to make sure Javier attended HyVee's annual meeting where they gave out awards.

Little did anyone know, Javier received the 2018 "Employee of the Year" award for the whole store.

Javier's store manager, Jamie Wolff, said this award was special because it is 100 percent peer-voted.

"He deserves it!" she said.

Vodec's Supported

Employment team is bursting at the seams with pride for Javier.

He has worked through multiple personal health and professional obstacles like the champ he is and has always strived to put his job first.

Javier told his staff many times that he loves his job, and he knows how well he is treated there.

One way that Javier has always stood out is that he listens carefully and takes advice to heart.

Everyone makes mistakes, but Javier has always learned from them well and uses them to move forward.

Congratulations, Javier! We're so proud of you!

Vodec's Mission:

To provide **services** to persons with disabilities in order that they may **live, work and participate** in the community in the least restrictive environment to achieve their **full potential**.



Top Left: Council Bluffs Residential consumers enjoyed a fun experience taking part in Special Olympics Iowa's bowling competition in October.

Below Left: Iowa Democratic candidate for governor Fred Hubbell (left) visited Vodec's headquarters in September to discuss healthcare challenges and opportunities with family, staff and board members.

Above: Vodec CEO Steve Hodapp (right) accepted a Greater Omaha Chamber of Commerce Business Excellence Award May 17 for 50 years of service to the Council Bluffs and Omaha communities.

SUCCESS STORY:

Vodec Provides Summer Employment for High School Students

In June 2018, Vodec provided summer internships for 20 youth with disabilities thanks to a Vocational Rehabilitation (VR) Services grant for Pre-Employment Transition Services.

Omaha Public Schools students were the target audience, but there were three spots open. VR counselors also referred a student from Millard, Westside and Blair.

The program offered paid internships at Vodec, Family Fun Center, Pets R Us and Scheels. The program hired a combination of OPS and Vodec staff who were familiar with a majority of the students and the job sites.

The students were given uniforms and required to wear them daily. Each internship employed five students. During their 4-hour shift, they worked for two hours and then participated in pre-employment classroom activities.

Stephanie Goodrich developed the activities and a specialized rubric, which aligned with the curriculum. These evaluation rubrics were completed every day by the job coach.

The evaluations were reviewed and compiled by Mrs. Goodrich into a two-page student summary report at the end of the internship.

The students were paid \$9 per hour while working. Over the course of the internship, they worked a combined 695

hours and earned \$6,255 in gross wages.

Vodec provided an end-of-year party at Family Fun Center for all of the students. Family Fun Center provided the group with a significantly reduced rate so that everyone could have lunch, play games, socialize and meet with their job coach to review their progress summary.

The individualized meetings included highlights of each student's progress during the summer program along with a recommendation regarding future services which may potentially benefit each individual going forward. All students were provided with their summary and a certificate of completion.

According to satisfaction surveys, 85 percent of the students said they wanted to do this program again.

One shared that they wanted to do the program again next year but knew they couldn't since they were graduating. Many verbally shared that if they did the program again, they would want to work longer hours and have less class time.

In addition, students were able to accurately explain their job duties and at least one thing that their job coach did to support them at work. They shared things that they liked most about the program, such as getting paid, going to the end-of-year party and the pre-employment activities.



612 South Main Street
Council Bluffs, Iowa 51503

Vodec is a private, nonprofit 501(c)(3) corporation. Vodec is an equal opportunity employer. Applicants for services or employment are considered without regard to race, color, religion, sex, age, national origin or disability.



Vodec consumer James Driscoll spoke during the Nebraska Association of Service Providers' Legislative Resolution signing in celebration of Developmental Disabilities Awareness Month March 1, 2018, at the Nebraska State Capitol.

The decision was tough but prompted by continued under-funding for the service. We just couldn't carry it anymore.

Also in June 2018 in Nebraska, we ended our participation

CONSUMERS SERVED

	<u>FY17</u>	<u>FY18</u>	<u>Var.</u>
IA	289	350	+61
NE	359	333	-26
Totals	648	683	+35

with the Project Search Program at two Omaha locations.

The support from the State of Nebraska shifted and resulted in a drastic reduction of funding.

This impacted about a dozen of our Nebraska consumers who were re-assigned to our Omaha development center.

Consumers, stakeholders, vendors and supporters, it's important you know how much we value your confidence in us to fulfill our mission.

It inspires us to do our best every day to continue earning your confidence. We do not take it for granted. Thank you for believing in us.

Sincerely,

Steve Hodapp
CEO