



Provision of Selected Services for Clients with Intellectual Disabilities

Background

In March 2011, the program review committee (PRI) authorized a study to compare the costs of providing public versus private services (residential and day) to individuals with intellectual disabilities, who are clients of the Department of Developmental Services (DDS), and receive 24-hour care in community or institutional settings, to determine the most cost-effective means to deliver those services. In FY 10, total expenditures for DDS clients in 24-hour residential care were \$807.7 million, of which about half was federally reimbursed through Medicaid.

Private services for DDS clients are funded by DDS but delivered by private entities under DDS contract. Public services are both funded and provided by DDS. The residential settings under review included: public and private community living arrangements (CLA), also called group homes; the DDS regional centers and Southbury Training School (STS); and public and private "intermediate care facilities" (ICFs/MR) that are Medicaid-funded, with the public ones located at the regional centers and STS, and the private, in the community.

In comparing costs, the study examined the different funding structures, determined what factors impact costs, and analyzed client level of need and service quality in the context of cost.

PRI staff constructed a database merging client and cost data from several sources, including: client demographics; individual needs assessments, program services and costs; and room and board costs. This allowed for analysis based on a comprehensive picture of client needs, services and costs by residential setting.

Based on the study findings, recommendations were proposed to ensure a cost-effective, quality-driven system of residential care for Department of Developmental Services (DDS) clients.

The full study report is available at: http://www.cga.ct.gov/pri/2011_prsscid.asp.

Main Findings

Half of all funding for 24-hour residential care goes to DDS settings (public) to take care of 25 percent of the clients. The declining numbers of clients and increasing costs in the public settings have resulted in this funding imbalance.

The average daily per-client costs in DDS residential settings are more than double those costs in residences supported by private providers. PRI analysis showed that, on average, the FY 10 per diem costs at a public CLA were \$875, while the costs at a private home were \$349. Similar cost differences existed at the more care-intensive ICFs/MR: at DDS regional centers the average per diem costs were approximately \$907 per day, and at Southbury Training School, \$906. In contrast, the private ICFs/MR costs were \$415 per day, less than half the public ICFs/MR costs.

Even when adjusted for client level of need (LON), the costs were more than double for clients in DDS settings compared to clients with similar needs in private homes and ICFs/MR. The LON adjustment is needed to accurately demonstrate the cost differential of the two sectors in providing services to clients with similar needs. Of the clients who live in DDS settings, a greater percentage have more intense needs, but there are more clients, even at the highest need levels, living in private settings overall. The study found average per client costs of clients with the same LON -- no matter the score -- were always higher in the public setting versus the private.

Although public settings cost more, the quality of care provided does not appear superior to that in private settings. There is no consensus about what measures to use in determining quality. Using the most available measure -- the licensing and inspection results for all residential homes and facilities -- shows that the private residences, on average, had: fewer deficiencies per home; fewer serious condition reports; and better compliance in implementing corrective actions.

PRI Recommendations

The goal of the recommendations is to accelerate the pace of moving away from the dual service system to a private sector service model for residential care, while ensuring the quality for clients. PRI adopted 14 proposals that would help move the state toward that goal, and include:

1. Apply the same provisions in the Southbury settlement agreement, offering residential choice, to current residents of regional centers
2. Implement actions to ultimately phase out DDS-operated residential services, for all but very hard to place clients, yet serve more people on the wait-list
3. Establish a centralized process that would review utilization of services and costs for clients exceeding funding guidelines, with results published annually
4. Improve review and oversight by DDS of certain provisions of private provider contracts upon issuance and renewal
5. Make quality inspection results available to relevant parties, including clients, their teams, and families or guardians