

Key Points

PROVISION OF SELECTED SERVICES FOR CLIENTS WITH INTELLECTUAL DISABILITIES

INTRODUCTION

- The Department of Developmental Services (DDS) is responsible for the planning, development and administration of a complete, comprehensive, and integrated statewide program for persons with intellectual disabilities.
- Connecticut is one of 18 states that operate a dual system of public and private provision of community residential services for individuals with intellectual disabilities
- The PRI committee voted to undertake a thorough analysis of the costs of DDS versus private sector services, based on clients who receive 24-hour residential care, to determine whether the private sector can provide comparable services at some fraction of DDS costs.
- The study identified 4,449 DDS clients receiving 24-hour residential services, residing in four types of residential settings:
 - private community living arrangements (CLAs) (2,949 clients)
 - public CLAs (453 clients)
 - Southbury Training School (450 clients with all beds certified as an intermediate care facility for the mentally retarded (ICF/MR))
 - private ICFs/MR (361 clients)
 - five regional centers (236 clients with all beds ICF/MR certified)
- Accelerating the shift to a solely private residential care system of care is complicated for several reasons including:
 - current labor agreement provisions prohibit layoffs as a result of contracting out, and also impose geographic limitations on transfers; and
 - the August 2011 agreement between SEBAC and the state includes a broad no-layoff provision now in force for four years.
- Acknowledging the dual system is a costly one, DDS had been implementing a policy of not accepting new admissions to any of its homes or facilities as a way to gradually reduce public residential services.

SECTION I: RATE SETTING AND REIMBURSEMENT

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- There are a number of agencies and contractors involved in rate setting and reimbursement of DDS residential services.
- Full rates are set for private ICFS/MR by DSS; DSS also sets room and board rates for CLAs.
- The DDS rate-setting system does not appear to meet new CMS requirements that the home and community-based services (HCBS) waiver system: offer client choice; provide a uniform rate-setting methodology; and only pay for services delivered.
- Most services provided to clients in 24-hour care are reimbursable by Medicaid either as ICFs/MR or under the comprehensive HCBS waiver.
- The billings for Medicaid services show that the costs are higher in public settings than private; public CLAs are more than twice as costly as private CLAs.

SECTION II: DDS CLIENT AND COST COMPARISON PROFILE

- The average length of time that a client lived at his or her residence was:
 - private CLA: 9.7 years;
 - private ICF/MR: 11.5 years;
 - public CLA: 13 years;
 - regional center: 16 years; and
 - STS: 33 years.
- With some exceptions, each client that receives DDS-funded services must have a level of need assessment (LON), a 15-page standardized assessment and screening tool administered by each client's case manager.
- The assessment yields a composite LON score that ranges from "1" indicating a low level of need to "8" being the highest level of need.
- For the 4,438 clients with a completed assessment, the most prevalent level of need is "7" accounting for 1,161 or slightly more than one-quarter of all clients.
- There are funding guidelines associated with each level of need indicating whether a client needs minimum, moderate, or comprehensive services and supports.
- The LON score is used to help teams in each region decide on the amount of

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resources a client should be allocated. Currently, the funding guidelines are used only for:

- new DDS clients entering the system;
 - those with a significant change in condition prompting the need for additional resources; or
 - clients who are moving from one residence or day program to another and have portability of funds.
- PRI staff examined the average contracted residential services and supports and temporary funds per-client costs at each LON, and compared them to the funding guidelines that guide the LON assessment process.
- In all cases, the average cost per client exceeds the maximum amount that a regional team can approve for services and supports under the funding guidelines until its authority is exceeded and the regional director or the regional UR team must make the decision about resource allocation.
- The annual average cost per DDS client for 24-hour residential services differs significantly, depending on whether a client resides in a private or public CLA or an ICF/MR, as well as other factors.
- Most agree that a client case mix, or level of need score, has an influence on cost.
- Some believe that the public sector serves more clients with higher levels of need, and therefore this raises its costs.
- By making sure that the level of need profile is the same for the groups being compared, any cost differences found cannot be attributed to different levels of need across the two groups (i.e., the more costly group is not more costly because the clients have a higher level of need).
- Based on data provided by DDS, PRI staff analysis, and adjusting client case mix based on level of need:
- on average, it costs about 2.5 times more to take care of the clients with the same LON in a public CLA (\$313,533) as a private one (\$124,443).
 - on average it costs 1.8 times more per-client to provide residential care in regional centers (\$325,835) than it does in private ICFs/MR (\$168,786); and
 - on average, it costs twice as much per client to provide residential care at

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STS (\$321,983) than it would at a private ICF/MR (\$168,786).

- Other factors that could also influence cost, such as whether a home is unionized, staff wages, and number of beds within a home, will be explored during the next phase of the study.

SECTION III: PRIVATE PROVIDER PROFILE

- About 75 percent of DDS clients who have 24-hour care now live in residences operated by private providers.
- Currently, there are 79 private providers—65 of them operate only CLAs, 12 operate both ICFs/MR and CLAs, and 2 operate just ICFs/MR.
- Most private providers are nonprofits, and almost all of them have their management offices located in Connecticut.
- Fifty-seven providers operate in only one region; 15 operate in two and only 7 have homes in all three regions
- Fifty-eight percent of providers have annual total operating revenues between \$1 and \$10 million.
- Forty providers had filed the required forms indicating the agency's executive director's salary was more than \$100,000.

SECTION IV: COMPARISON OF STAFFING RESOURCES

- The average number of staff per home varies among the five settings:
 - it was greatest at Southbury Training School (19.2),
 - followed by the regional centers (12.9);
 - public CLAs (11.8);
 - private ICFs/MR (10.3); and
 - private CLAs (8.9).
- The number of clients per cottage or unit was also greatest at STS (11.3) and least in the private CLAs (4.4).
- Forty percent of the staff at public ICFs/MR is part time, and 43 percent of the public CLA staff is part time.
- The average hourly wage for a private provider direct care worker is about

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\$15.53, about one-third less than the average wage for the lowest DDS class of direct care worker (\$24.24).

- The annual value of benefits for state employees is slightly less than \$40,000. DDS part-time workers are eligible for full benefits; this is often not the case with private provider workers.
- While DDS overtime costs are decreasing, they still add considerably to the cost of DDS-supported services.
- Overtime hours have declined by about 21 percent since FY 07, but the number of clients in DDS homes and facilities has decreased by about 39 percent.
- If DDS overtime hours were converted to full-time staff it would equate to 558 workers.
- DDS workers' compensation claims have declined overall and as percentage of staff.
- But DDS workers' compensation costs continue to increase and DDS costs account for about 15 percent of the state's overall workers' compensation costs (2nd highest agency, after Department of Correction).

SECTION V: QUALITY ASSURANCE

- DDS licenses private and public CLAs; the Department of Public Health certifies both public and private ICFs/MR.
- Most of DDS licensing inspection visits are announced.
- There is not a severity of deficiencies measure that would provide an assessment of quality of care.
- In FY 10 public CLAs had an average of 10 deficiencies per home; private CLAs had an average of 6.4.
- The average number of deficiencies found in CLAs with higher level of need clients was lower than in homes with lower client LON scores.