

# BECAUSE WE CARE - BEYOND INCLUSION



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Balancing the budget requires one to look at the whole system and not just one part. I have gathered much information from the Certified Residential Cost Reports which give an indication of where the funds are going in the community homes. With this information it is very clear that the Residential Habilitation Center is an extremely cost-effective service model for those people who have that high level of support need and who choose to live in a supportive community setting, the least restrictive environment for them as written in the 1999 US Supreme Court Decision of *Olmstead*.

There are many other issues of cost-shifting that we have only begun to scratch the surface of—we need to talk to local city governments regarding emergency care services, hospitals with emergency rooms which are inundated with DD clients—both for medical and mental health care, police and fire departments who are called to assist with behavior issues in the community, transportation services, community recreation, education and job training—all these service and more are part of the whole system that needs to be examined for client utilization before making budget decisions and changing the support system.

We need to make informed decisions based on research—  
not decisions based on assumptions or single data sets.

## **“Average” Daily Rates in Washington State for residents with Developmental Disabilities who live in Supportive Residential Care**

**Regarding the cost of care, it is clear that the comprehensive cost of the care of those with the highest support needs who choose the RHC is the most cost effective care. As revealed in the report “Assessment Findings for Persons with Developmental Disabilities Served in Residential Habilitation Centers and Community Settings” (2011) residents in RHCs had significantly higher support needs than community residents. The RHC residents were also significantly more likely to meet both extensive behavior and extensive medical support needs than residents in community residential programs. “Our current findings suggest very clear difference in medical support needs, with those in RHCs being more likely to have high medical support needs than those in community residential programs.” (Becker-Green, 2011)**

**This report also examined the DDD Acuity Scales and found that the residents in the RHCs also had significantly higher support needs in interpersonal support, protective supervision and Activities of Daily Living (personal care, dressing, bathing, eating) in addition to medical and behavioral support needs.**

<b>Cost Centers</b>	<b>State ICF/ID Average</b>	<b>"Community ICF/ID" Average</b>	<b>Group Home Average</b>	<b>Supported Living Average</b>
<b>Administrative and Program Operations Expense Total</b>	<b>\$61.38</b>	<b>\$486.09</b>	<b>\$27.09</b>	<b>\$31.36</b>
<b>Capital &amp; Property Expense Total</b>	<b>\$12.39</b>	<b>\$18.00</b>	<b>\$7.31</b>	<b>\$8.16</b>
<b>Interest &amp; Tax Expense Total</b>	<b>\$31.78</b>	<b>\$16.82</b>	<b>\$0.70</b>	<b>\$0.87</b>
<b>Direct Care Staff Compensations Total</b>	<b>\$248.39</b>	<b>\$188.66</b>	<b>\$212.00</b>	<b>\$199.34</b>
<b>Medical/Nursing/Pharmacy/Therapies - Totals</b>	<b>\$95.46</b>	<b>\$1.99</b>	<b>\$15.66</b>	<b>\$1.30</b>
<b>Food Service/Dietary Totals</b>	<b>\$19.53</b>	<b>\$14.18</b>	<b>\$0.89</b>	<b>\$0.26</b>
<b>Other Client Related Expenses Total</b>	<b>\$33.96</b>	<b>\$7.15</b>	<b>\$5.66</b>	<b>\$4.81</b>
<b>Maintenance/Laundry/Housekeeping/Dietary Total</b>	<b>\$77.43</b>	<b>\$6.68</b>	<b>\$0.42</b>	<b>\$0.47</b>
<b>Total daily cost (Average) (</b>	<b>\$580.32</b>	<b>\$739.57</b>	<b>\$269.73</b>	<b>\$246.57</b>
<b>Average state costs for these programs</b>	<b>\$290.16</b>	<b>?</b>		

**Looking at the daily cost of care in each cost center, it is also clear that there is much cost shifting in some areas which make it appear that the cost of care is less expensive. This is the information that is often not shared when comparing costs. It is also critical to look at the support needs of the residents in each setting, realizing that those in the RHC have significantly higher support needs and inherently higher costs related to the higher support need.**

**One other area that is misrepresented is that the “community” ICF/IDs offer the very same services as the state run supported communities of the RHCs. It is clear by auditing their costs that this is not the case. Knowing the high support need of the average RHC resident, it is very clear that this average RHC resident could not be safely and cost-effectively cared for in the “Community” ICF/ID since the comprehensive services are only available in the RHC.**

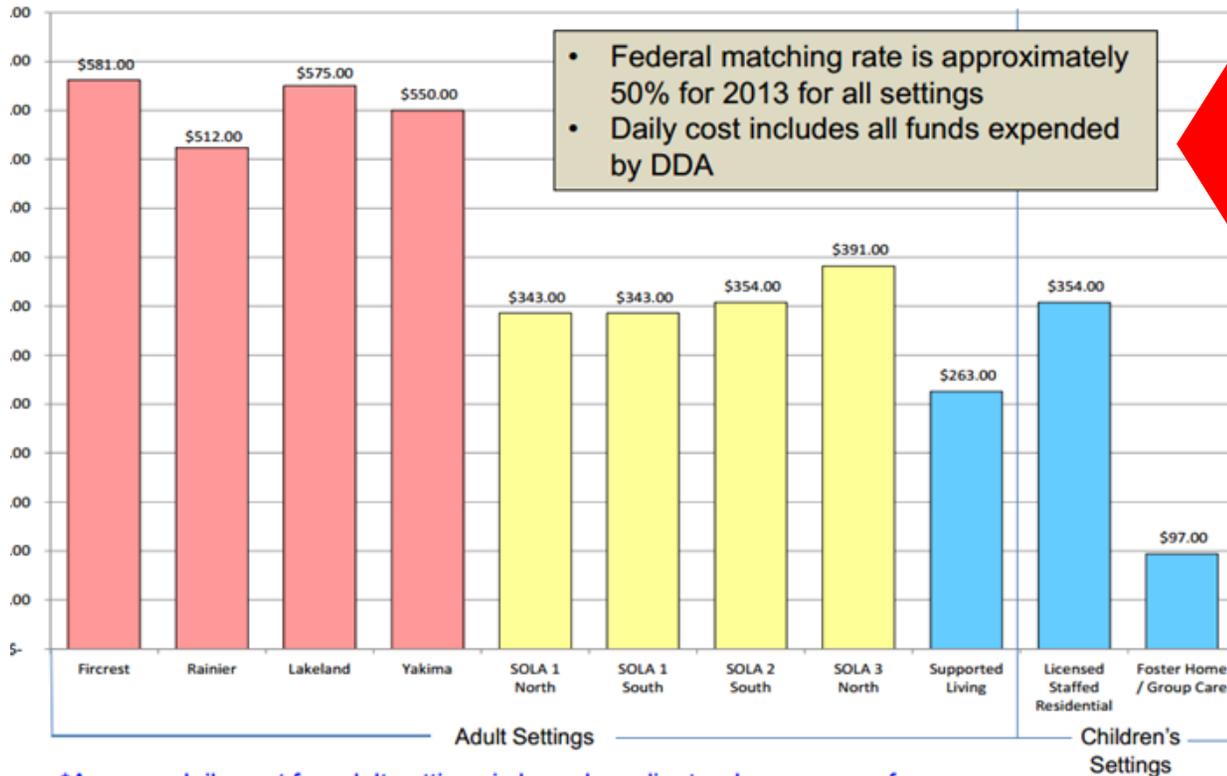
**With regards to cost shifting, it needs to be noted that a very high percentage of the Developmental Disabilities clients utilize paid services from other DSHS programs.**

**Data obtained from Certified Cost Reports submitted to the Developmental Disabilities  
Administration for Fiscal Year 2012**

**Table Below describes the agencies audited**

<b>Agency</b>	<b>Number of Agencies Audited</b>	<b>Total Number of Residents</b>
<b>Residential Habilitation Center (RHC) or Intermediate Care Facility/Intellectual Disabilities (ICF/ID)</b>	<b>4</b>	<b>599</b>
<b>“Community” ICF/ID</b>	<b>9</b>	<b>64</b>
<b>Group Homes</b>	<b>9</b>	<b>201</b>
<b>Supported Living</b>	<b>28</b>	<b>974</b>

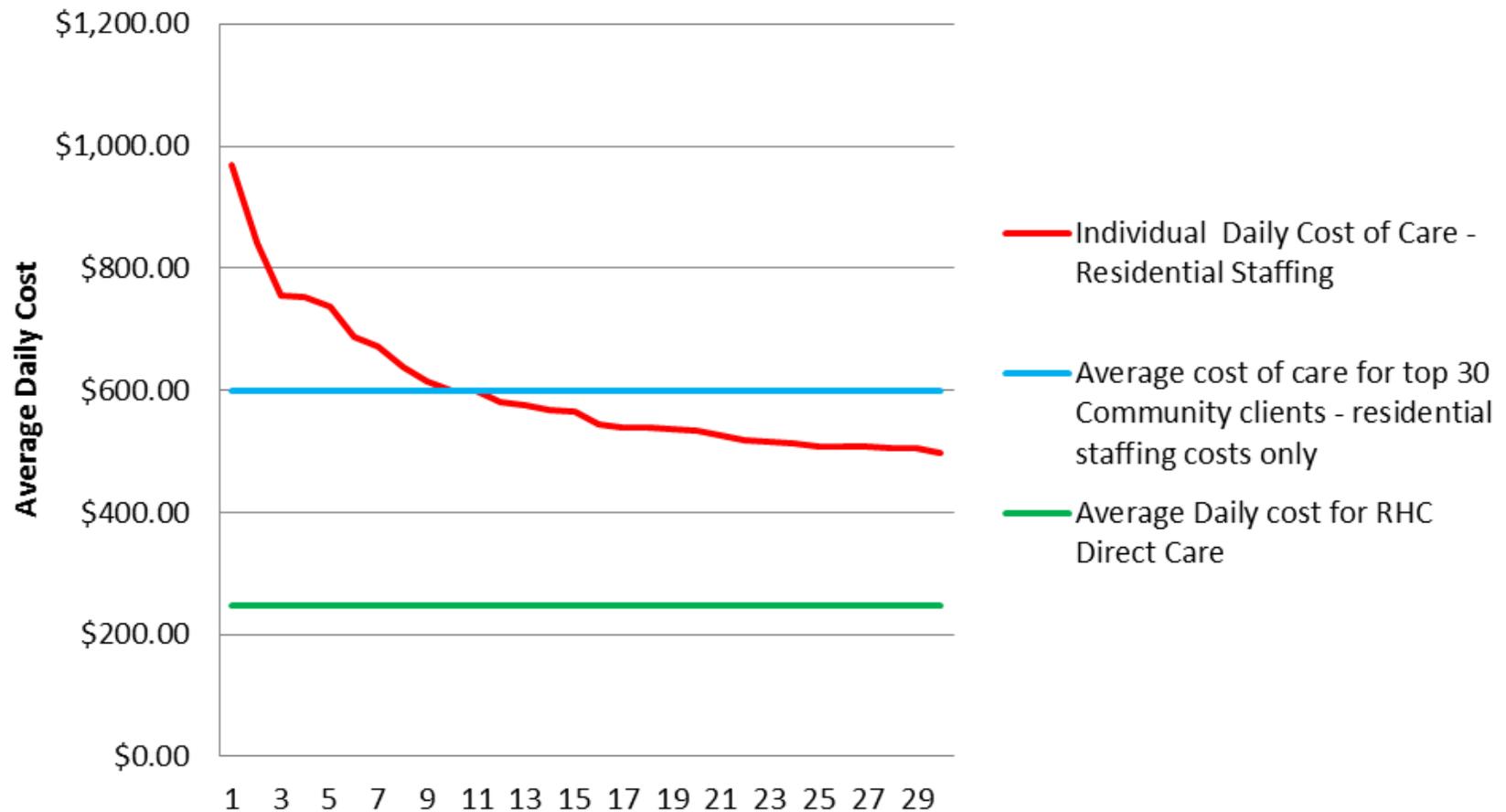
## 2013 Average Daily Cost Per Client by Setting



\*Average daily cost for adult settings is based on clients whose range of support needs is similar based on their last CARE assessment.

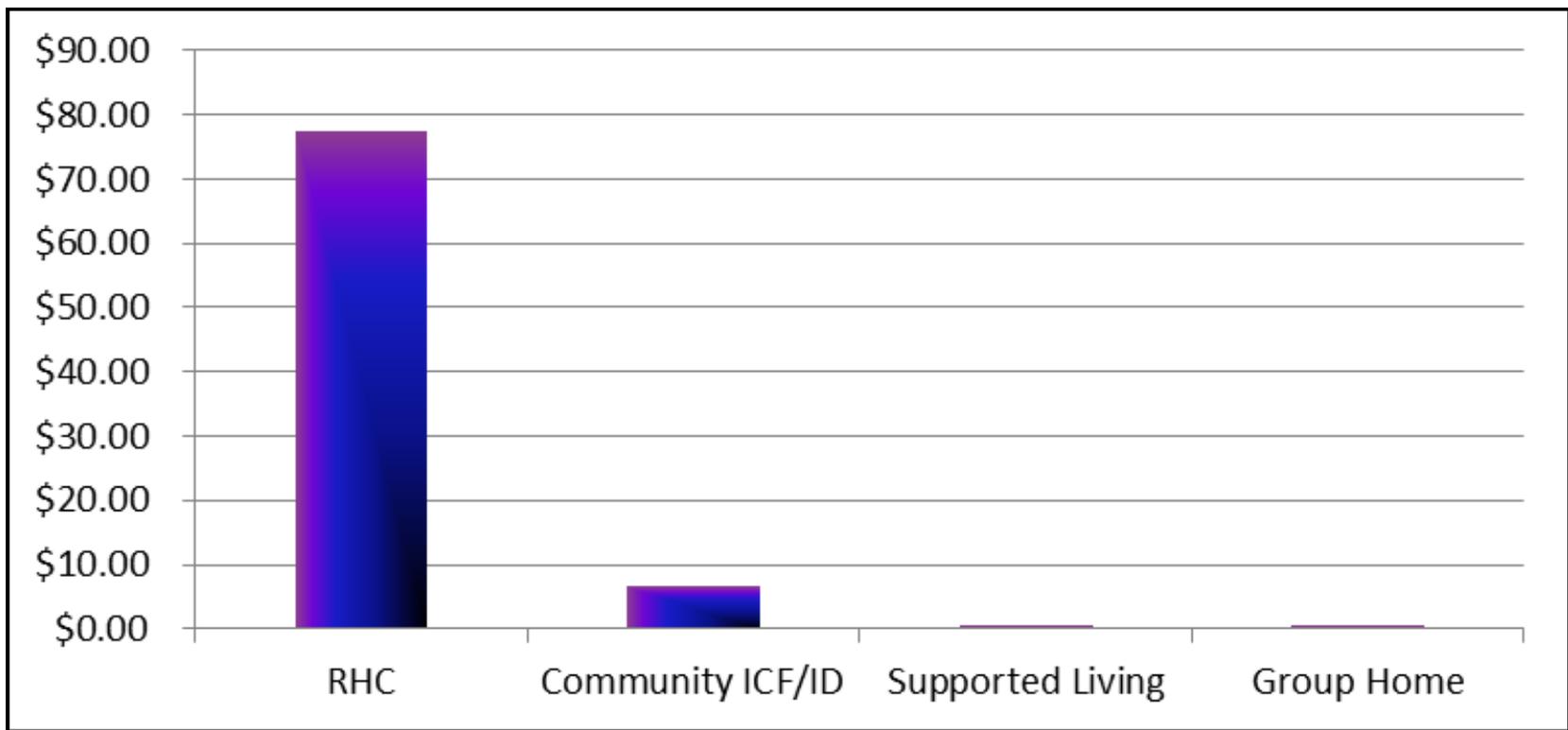
**Critical Point to Remember –  
 These are ONLY DDA Budget  
 figures and not other DSHS  
 Programs and Services.**

## Daily Cost for Direct Care for top 30 Community Residents compared to similiar cost for RHC residents



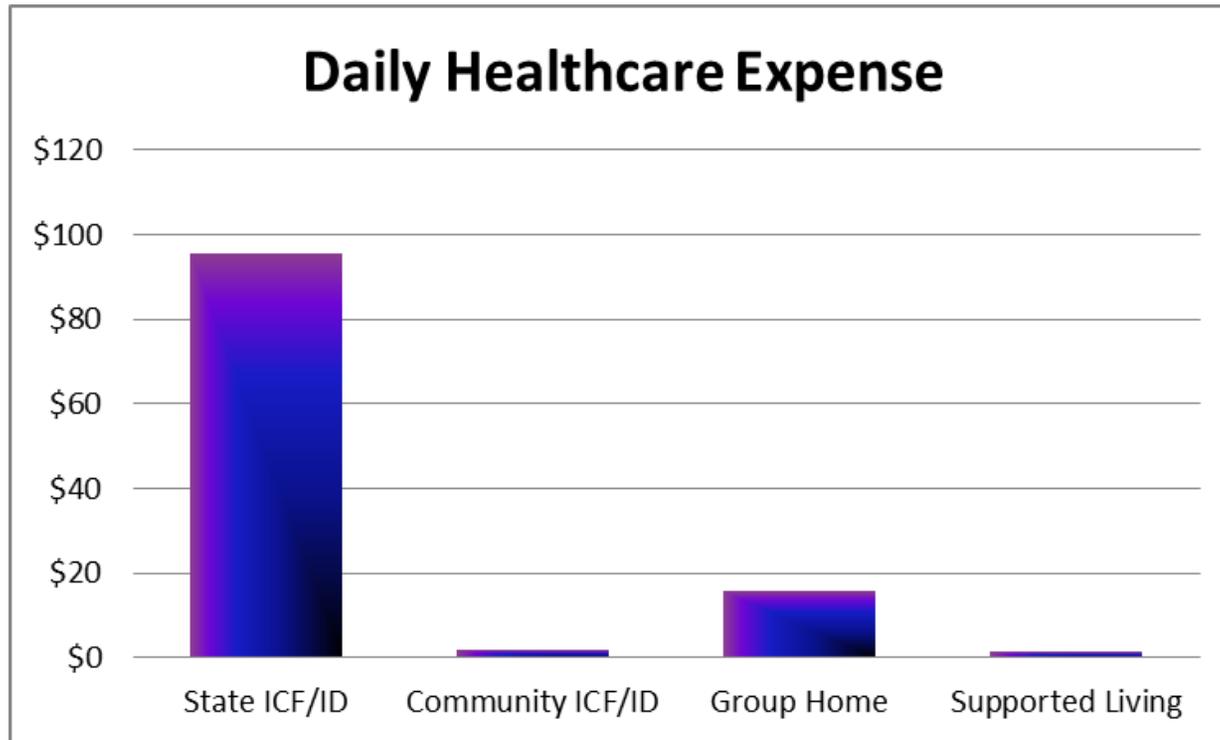
One can really only compare cost of care when looking at Direct Care Services. The above chart uses data from the 30 DD Community residents in 2011 for their direct care costs. The average for these 30 is \$598.00 a day. The average cost in the RHC for direct care is \$248.00 a day. This is information that many DD Advocates do not know or misunderstand but is critical information to have when making budget and program decisions.

## Daily Average Cost for Maintenance/Laundry/Housekeeping/Dietary



Purchased Services	Maintenance	Housekeeping	Laundry Services	Supplies/Other
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Who provides these services in community settings?

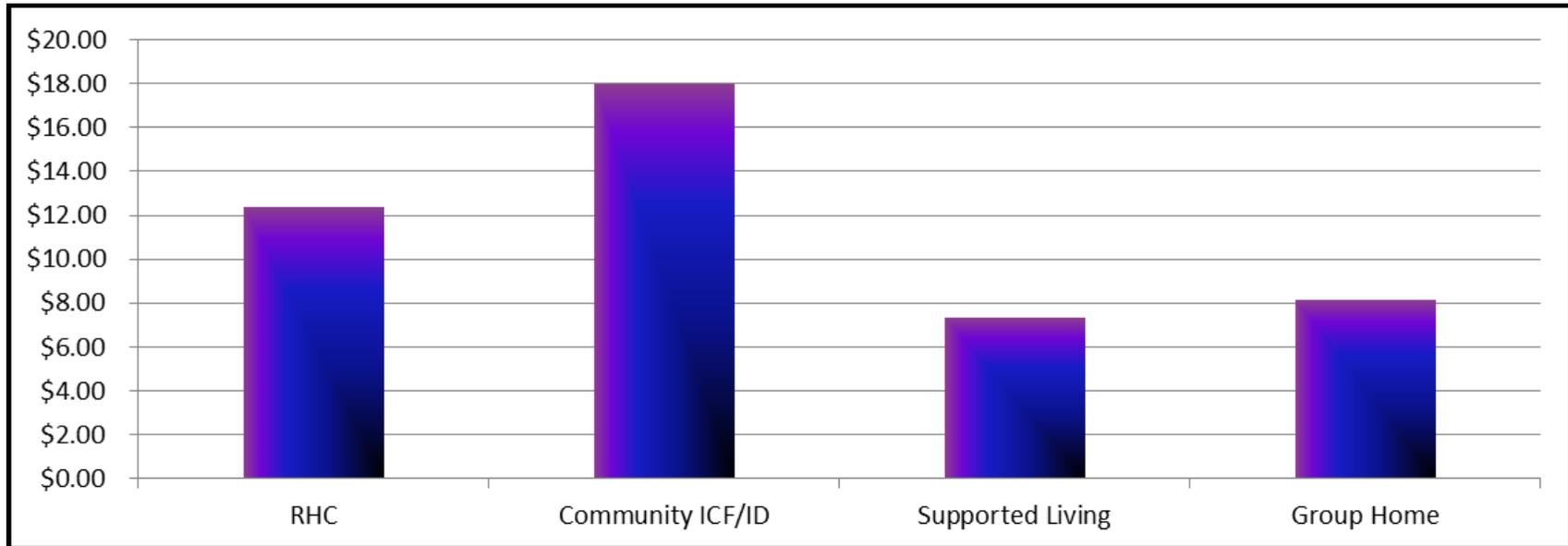


Physician Services	Nursing	Nursing Services – LPN	Nursing Outreach	Clinic and Infirmary Services	Pharmacy and Central Supply	Laboratory Services	X-Ray Services	Physical Therapy	Dental Services
Professional Management	Social Services	Psychology Services	Medical Services – Staff Salaries	Occupational therapies	Speech and Language Therapies	Socialization and Communication	Visual Therapy	Program Support Management	

**Roughly 80% of Developmental Disabilities clients who live in community settings receive Medical Assistance Budget under DSHS. The RHC clients receive these services out of the DDA budget - eliminating these clients in the RHC will push the expense to the Medical Assistance program in DSHS, local hospitals, clinics, emergency rooms and other expensive and crisis centered agencies.**

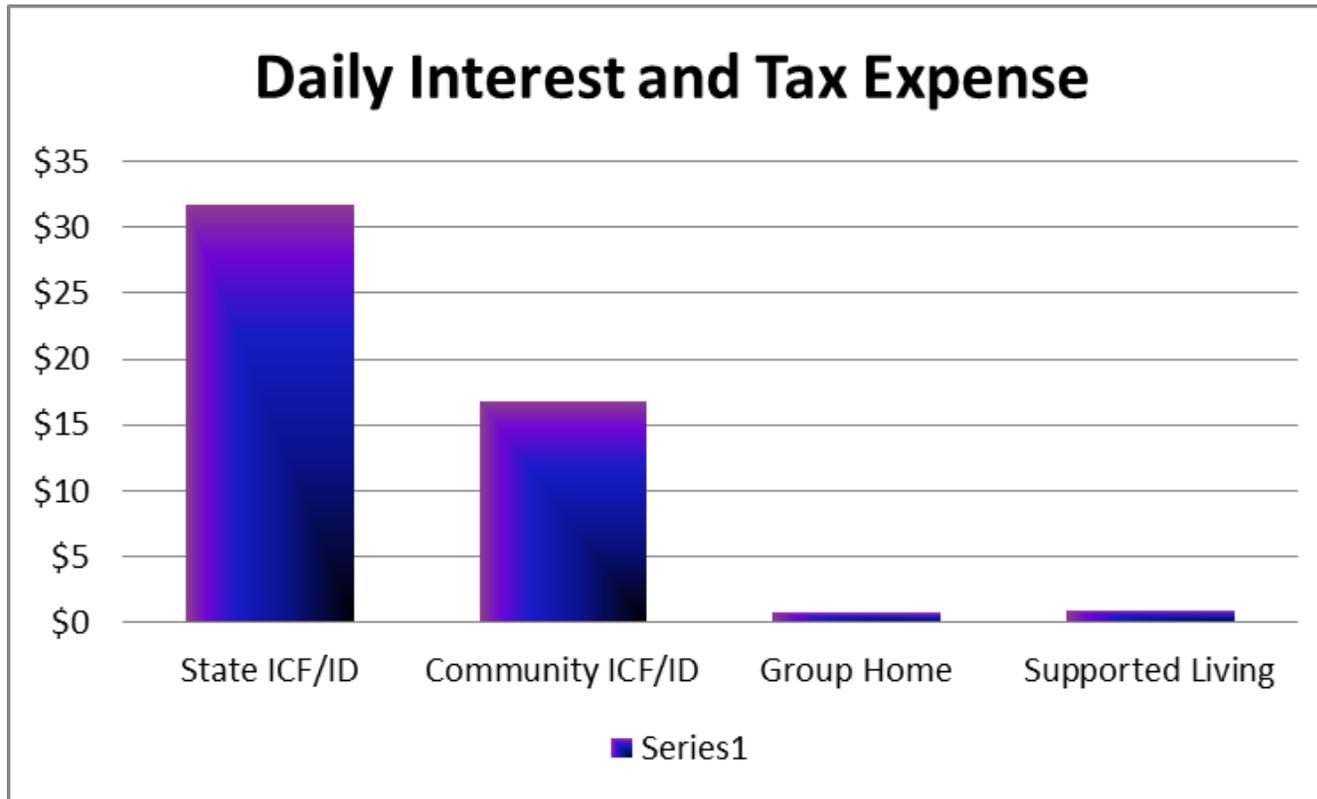
**In addition to medical services, roughly 13% of DD clients in the community utilize the Mental Health Assistance Program through DSHS. This, again, is covered for the RHC clients under the DDA budget.**

## Daily Average Cost for Capital and Property Expense



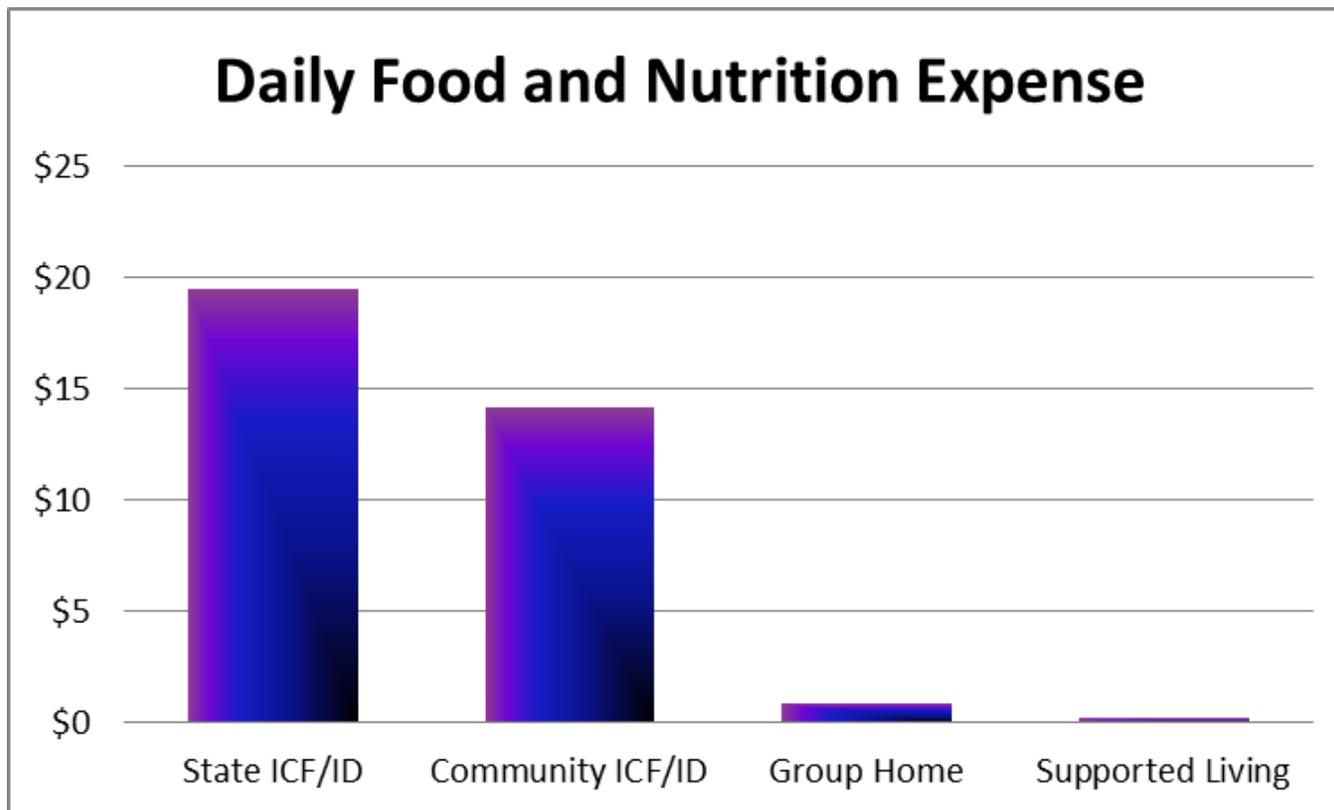
Interest	Building Land Depreciation	Telephone	Facility Insurance	Rent	Utilities	Property Tax	Minor Equipment	Other-Resident Participation/ Unallowable charges.
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The RHC is cost effective when looking at capital and property expenses when compared to the Community ICF/ID, Supported Living agencies and Group Homes.



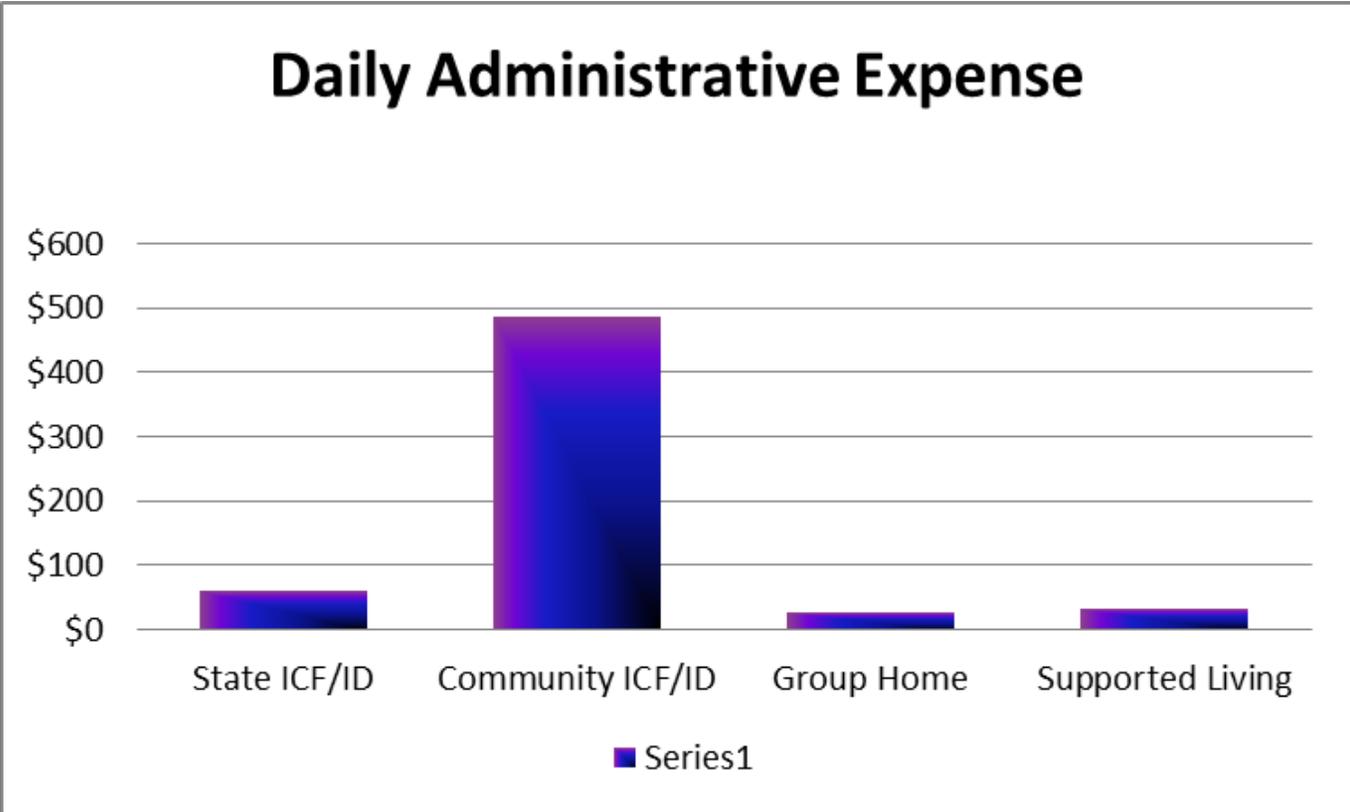
Working Capital Interest	IMR Tax	Business Tax (Other)	Less Unallowable ICF Tax
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The RHC has the IMR tax which is not charge to the community homes



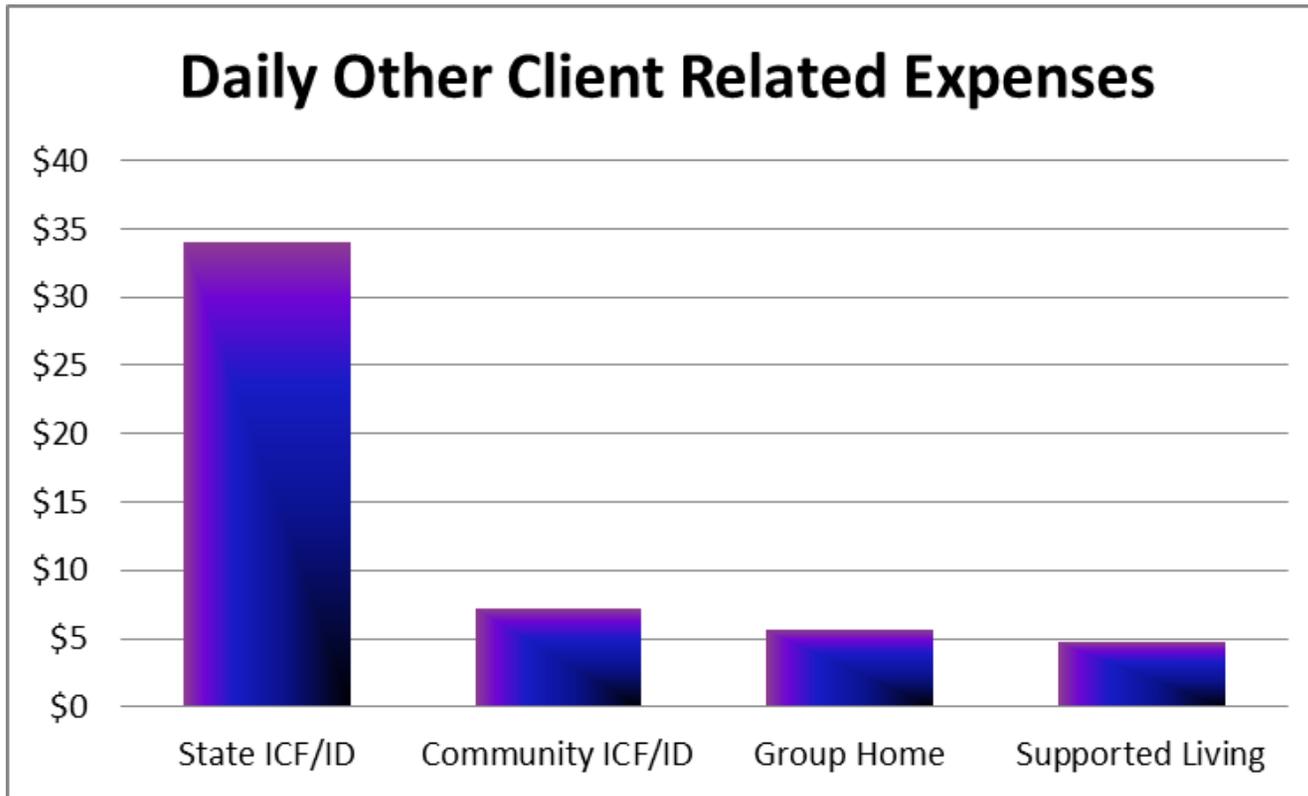
Food Services	Resident Food	Dietary Supplies	Staff Food
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Nutrition services with Registered Dietitians and all food is provided to the RHC residents under through the DDA budget. Roughly 35% of the DD clients in the community utilize economic assistance through DSHS which is not reflected in the DDA budget.



Administrative Support	Fringe Benefits	Payroll Taxes	Management Fees	Data Processing	Legal Services	Dues and Subscriptions
Facility Insurance	Other	Bank Charge	Printing	Postage and Shipping	Advertising	Administrative Supplies

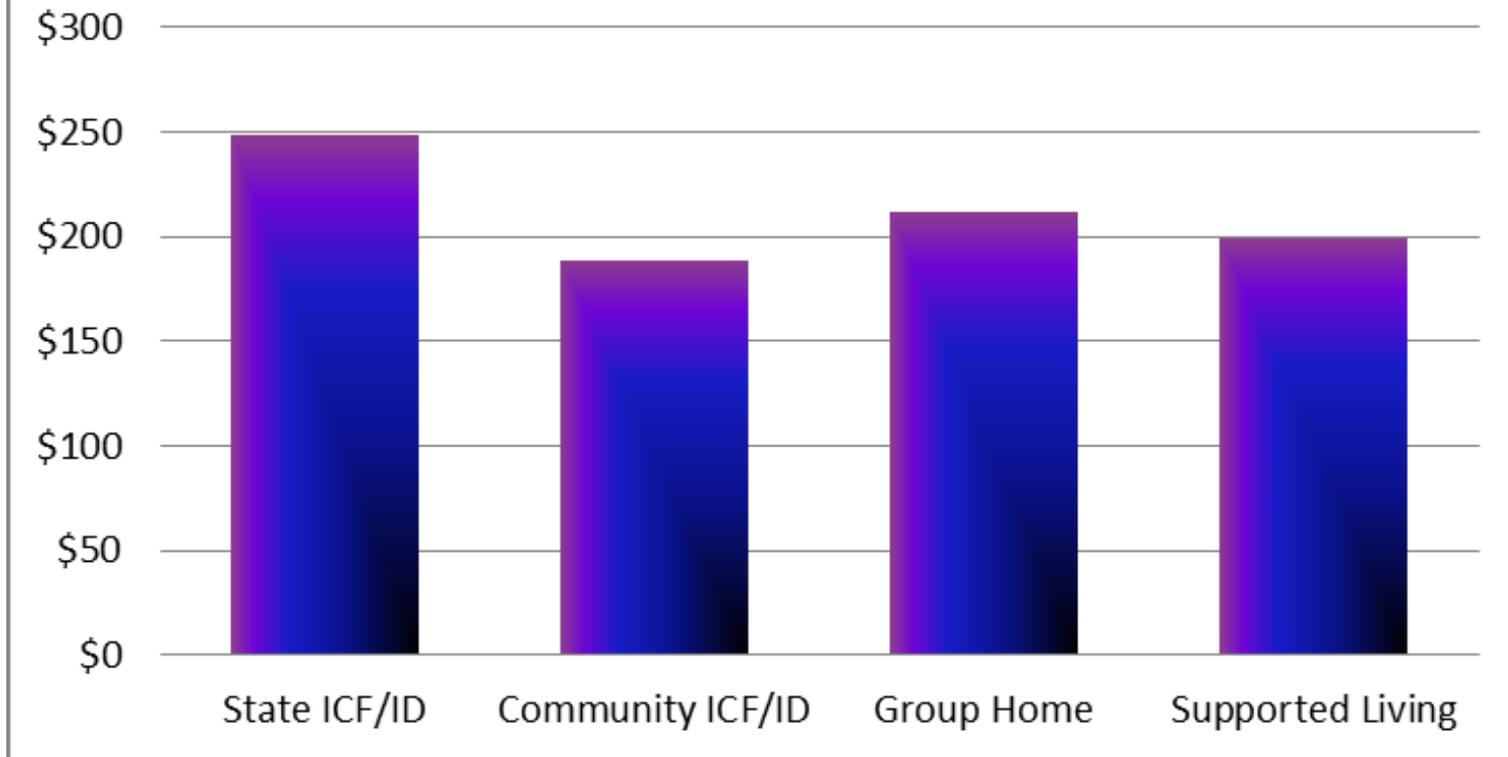
This chart makes it clearly obvious that the community ICF/IDs are extremely costly in the administrative budget. This is well documented in the annual Cost Reports of these agencies and facilities.



Education and In-Service	Habilitation	Recreation	Adult Skills Training	Vocational Training	Education – School based	Religious Services
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Vital services are included in client related expenses and are part of the comprehensive RHC program. About 10% of the community DD clients utilize vocational assistance through DSHS but most receive no services for these services which help provide a meaningful life to our citizens.

## Daily Direct Care Staff Expense

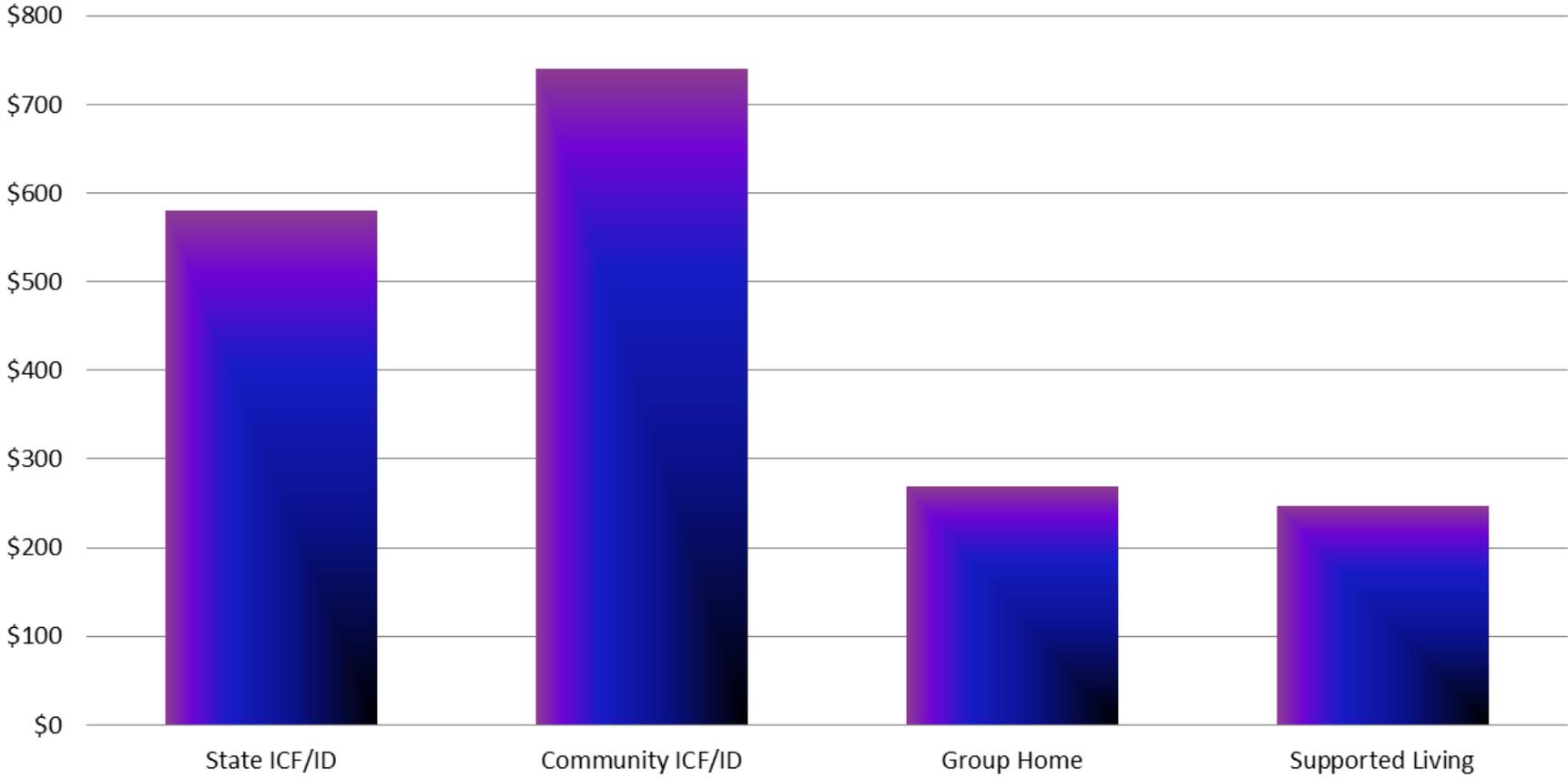


Residential Care wages and Fringe Benefits	State Support Payment Program	Staff Documentation	Clerical	Habilitation Services Management	Short Term Care
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Even given the higher acuity and support needs of the majority of RHC residents, the RHC is very cost effective in providing well-trained, safe and considerably more stable staff than community homes.

# Daily Cost of Care

**Now that you see what the cost of care includes, which of these is the most cost effective care model for some of our citizens with the highest support needs?**



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