



Cost Comparison Report

**As required by the
2020-21 General Appropriations
Act, House Bill 1, 86th Legislature,
Regular Session, 2019
(Article II, Health and Human
Services Commission, Rider 5)**

**Health and Human Services
Commission**

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TEXAS
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1. Introduction

The 2020-21 General Appropriations Act, House Bill 1, 86th Legislature, Regular Session, 2019 (Article II, Health and Human Services Commission, Rider 5), directs the Health and Human Services Commission (HHSC) to prepare a report analyzing the costs of state- and federally-funded residential and non-residential services for persons with intellectual disabilities and related conditions for which it is the Medicaid operating agency.

Institutional services are delivered at state-operated and non-state-operated intermediate care facilities for individuals with an intellectual disability or related conditions (ICF/IID). ICF/IID services include residential services, habilitation services, medical services, skills training and adjunctive therapy services.

Non-institutional services are provided by two 1915(c) Medicaid waiver programs: Home and Community-based Services (HCS) and Texas Home Living (TxHmL). HCS and TxHmL services include adaptive aids, case management, counseling and therapies (audiology, speech/language pathology, occupational therapy, physical therapy, dietary services, social work, and psychology), minor home modifications, dental treatment, nursing, residential assistance, respite, day habilitation, and supported employment. The HCS service array also includes residential services provided in three- and four-bed group homes.

Medicaid reimbursed acute care services, such as hospitalization and doctor visits, provided to consumers in non-state operated ICFs/IID, HCS, and TxHmL are paid by HHSC. For the state supported living centers (SSLCs), these costs are covered in the per diem reimbursement rate.

2. Background

This report includes an analysis of the total average monthly Medicaid costs for persons served in each of the following settings:

1. SSLCs
2. ICFs/IID other than SSLCs
3. HCS residential
4. HCS non-residential
5. TxHmL

The cost data includes all Medicaid expenditures, both programmatic and acute care for these populations, as well as the distribution of each population by level of need (LON). The costs for SSLCs include SWICAP (State Wide Indirect Cost Allocation Plan), DICAP (Department Indirect Cost Allocation Plan), maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical and overhead costs.

With the exception of SSLC data, this report covers the time period of fiscal year 2019 (September 1, 2018 through August 31, 2019). The SSLC data in this report covers the time period of fiscal year 2018 (September 1, 2017 through August 31, 2018).

This report shows monthly Medicaid costs per consumer for the five different settings identified above. Where the State is the service provider (SSLCs), these costs are not intended to be used for the purpose of determining the incremental impact of increasing or reducing the number of consumers in that setting. As a service provider, the SSLCs have certain operating costs that will not be impacted with a small increase or decrease in the number of consumers served. When the change in numbers of consumers is significant enough to impact these operating costs, they will be changed in different degrees depending on how many consumers are admitted or discharged and the number of facilities involved.

Where the State is paying providers for services, such as ICFs/IID other than SSLCs and the HCS/TxHmL waivers, the annual costs per consumer lend themselves more readily to determining the incremental budget impact of changing caseloads.

Levels of Need

Five levels of need (LONs) have been developed to ensure that consumers' individual needs are met. The consumer's LON is based on his/her score on the Inventory for Client and Agency Planning (ICAP). In the ICF/IID program, a consumer's LON may be adjusted upward to account for special medical or behavioral conditions. An adjustment may be made for an HCS consumer to account for behavioral conditions.

- **Intermittent (LON 1)**

This individual does not need 24-hour care, demonstrates very independent living skills, with no significant maladaptive behavior noted. Staff intervention is typically reminders with some guidance required.

- **Limited (LON 5)**

The skill level of a person at a Limited LON ranges from fairly independent to some personal care reminders/guidance needed. Behavior intervention or hands-on personal care assistance may be required. Individuals may have psychiatric disorders, which may be fairly well-controlled with medication. Staff intervention ranges from reminders to 24-hour guidance and support.

- **Extensive (LON 8)**

The skill level of a person at an Extensive LON ranges from no self-help skills (due to physical limitations) to demonstrating some basic self-help skills. Staff intervention includes personal care assistance utilizing hands-on techniques and/or implementation of behavioral interventions.

- **Pervasive (LON 6)**

This individual may have some basic self-help skills and demonstrates challenging behavior requiring intervention. Consumers in this level of need may even require one-on-one supervision or care for safety reasons, but not 16 hours a day.

- **Pervasive Plus (LON 9)**

Individuals at this LON require one-on-one staff supervision within arm's length of the consumer during all waking hours due to their life-threatening behavior.

Cost Analysis Report – 2019

Monthly Average Cost per Individual Served by Setting

State Operated ICF-IID/RC (State Supported Living Center [SSLC])*	
Long-Term Care Costs – Average	19,125.24
Administrative/Overhead Costs	6,278.26
Total State Operated ICF-IID/RC Costs	25,403.50
Non-State Operated ICF-IID/RC (Community ICF/IID)	
Long-Term Care Costs – Average	4,347.95
Acute Care Cost – Average	364.58
Total non-State Operated ICF-IID/RC Costs	4,712.53
HCS Waiver: Residential	
Long-Term Care Costs – Average	5,294.41
Acute Care Cost – Average	839.09
Total HCS: Residential Costs	6,133.50
HCS Waiver: Non-Residential	
Long-Term Care Costs – Average	2,848.28
Acute Care Cost – Average	655.16
Total HCS: Non-Residential Costs	3,503.44
HCS Waiver: All Settings	
Long-Term Care Costs – Average	3,670.75
Acute Care Cost – Average	716.97
Total HCS: All Settings Costs	4,387.72
Texas Home Living Waiver (TxHmL)	
Long-Term Care Costs – Average	1,914.73
Acute Care Cost – Average	729.92
Total TxHmL Costs	2,644.65

*Data are based on fiscal year 2018 cost report as fiscal year 2019 cost report has not been audited.

**Non-state Operated ICF/ID by Facility Size
Cost Analysis Report – 2019**

Average Number of Individuals Served Per Month

	Small	Medium	Large	Total
Intermittent (LON 1)	1,093	175	21	1,289
Limited (LON 5)	2,217	237	139	2,593
Extensive (LON 8)	558	31	40	629
Pervasive (LON 6)	212	4	8	224
Pervasive Plus (LON 9)	19	1	2	22
Overall – Total	4,099	448	210	4,757

Monthly Average Cost Per Individual

	Small	Medium	Large	Average
Intermittent (LON 1)	\$3,867.74	\$3,084.03	\$2,938.31	\$3,746.30
Limited (LON 5)	\$4,406.84	\$3,614.64	\$3,193.17	\$4,269.38
Extensive (LON 8)	\$5,078.63	\$4,359.80	\$3,602.37	\$4,949.39
Pervasive (LON 6)	\$6,366.64	\$5,252.85	\$5,243.76	\$6,307.41
Pervasive Plus (LON 9)	\$11,937.57	\$11,578.94	\$11,326.32	\$11,864.36
Overall – Average	\$4,490.20	\$3,487.97	\$3,403.37	\$4,347.95

**Comparison of Consumers by Level of Need
Fiscal Year 2019**

Level of Need	State Operated ICF-IID/RC		Non-state Operated ICF-IID/RC		Total ICF-IID/RC		HCS Waiver		Texas Home Living Waiver		Total Waiver	
	#	%	#	%	#	%	#	%	#	%	#	%
Intermittent (LON 1)	306		1,289		1,595		7,036		2,442		9,478	
% of Total		10.46%		27.10%		20.77%		27.22%		42.85%		30.05%
Limited (LON 5)	1,316		2,593		3,909		11,719		2,773		14,492	
% of Total		45.01%		54.51%		50.89%		45.34%		48.66%		45.94%
Extensive (LON 8)	929		629		1,558		4,867		430		5,297	
% of Total		31.79%		13.22%		20.29%		18.83%		7.54%		16.79%
Pervasive (LON 6)	364		224		588		2,070		54		2,124	
% of Total		12.47%		4.71%		7.66%		8.01%		0.95%		6.73%
Pervasive Plus (LON 9)	8		22		30		155		-		155	
% of Total		0.27%		0.46%		0.39%		0.60%		0.00%		0.49%
Total	2,922	100.00%	4,757	100.00%	7,680	100.00%	25,847	100.00%	5,698	100.00%	31,546	100.00%

Notes:

Data for State Operated ICF-IID/RC includes clients in SSLC, Corpus Christi Bond Homes, and Texana Behavioral Treatment and Training Center

Due to rounding, LON figures may not sum to their respective totals.

Average Dollars Paid by Month for Home and Community-based Waiver Services for People Who Came off the Interest List in Fiscal Year 2019

Residence Type	LON	Mean	Number of People	Std. Deviation	Minimum	Maximum
Non-Residential		\$3,165.47	1		\$3,165.47	\$3,165.47
	1	\$2,281.74	38	\$1,227.99	\$35.01	\$4,768.06
	5	\$2,848.21	133	\$1,033.45	\$65.09	\$6,187.71
	6	\$4,043.93	42	\$1,816.36	\$398.31	\$8,682.21
	8	\$3,190.78	117	\$1,560.50	\$87.33	\$8,834.29
	9	\$8,028.56	1		\$8,028.56	\$8,028.56
	Total	\$3,071.92	332	\$1,465.42	\$35.01	\$8,834.29
Residential	1	\$4,523.86	50	\$652.98	\$2,586.59	\$6,585.15
	5	\$4,822.84	169	\$731.80	\$1,533.56	\$6,362.61
	6	\$6,044.02	22	\$546.56	\$4,551.92	\$6,809.72
	8	\$5,141.67	81	\$619.32	\$2,911.29	\$6,360.37
	9	\$4,056.38	1		\$4,056.38	\$4,056.38
	Total	\$4,937.32	323	\$767.52	\$1,533.56	\$6,809.72
	Total		\$3,165.47	1		\$3,165.47
1		\$3,555.67	88	\$1,459.12	\$35.01	\$6,585.15
5		\$3,953.22	302	\$1,315.82	\$65.09	\$6,362.61
6		\$4,731.46	64	\$1,778.60	\$398.31	\$8,682.21
8		\$3,988.87	198	\$1,585.67	\$87.33	\$8,834.29
9		\$6,042.47	2	\$2,808.76	\$4,056.38	\$8,028.56
Total		\$3,991.80	655	\$1,499.33	\$35.01	\$8,834.29

Notes:

People were identified as having come off the interest list if they had a closed date in CSIL and as having enrolled in the Home and Community-based Services Waiver (HCS) if they began HCS services after the CSIL closed date.

Non-Residential is defined as Foster/Companion Care and Own Home/Family Home.

Residential is defined as 3-Bed Home and 4-Bed Home.

Payment is only counted in months during which HCS was authorized for the entire month. If an authorization for HCS did not begin until the middle of the month, HCS Dollars Paid are not included for that month. Payments were included for the first twelve months of participation or the duration if it was less than twelve months.

Average Dollars Paid by Month for Home and Community-based Waiver Services for People Who Transitioned from State Supported Living Centers in Fiscal Year 2019

Residence Type	LON	Mean	Number of People	Std. Deviation	Minimum	Maximum
Non-Residential	1	\$3,497.46	3	\$978.34	\$2,680.73	\$4,581.74
	5	\$3,248.35	8	\$1,656.12	\$686.39	\$5,101.40
	6	\$3,118.40	3	\$1,820.28	\$1,460.36	\$5,066.16
	8	\$4,916.60	2	\$1,683.78	\$3,725.99	\$6,107.22
	Total	\$3,479.23	16	\$1,538.95	\$686.39	\$6,107.22
Residential		\$5,785.86	2	\$895.26	\$5,152.82	\$6,418.91
	1	\$5,906.96	6	\$342.84	\$5,336.93	\$6,312.74
	5	\$5,894.12	19	\$371.89	\$5,211.68	\$6,668.54
	6	\$6,224.07	22	\$620.61	\$3,925.68	\$7,100.11
	8	\$6,334.19	10	\$826.75	\$5,638.87	\$8,582.22
	Total	\$6,089.38	59	\$590.52	\$3,925.68	\$8,582.22
Total		\$5,785.86	2	\$895.26	\$5,152.82	\$6,418.91
	1	\$5,103.79	9	\$1,328.22	\$2,680.73	\$6,312.74
	5	\$5,110.19	27	\$1,532.93	\$686.39	\$6,668.54
	6	\$5,851.39	25	\$1,293.87	\$1,460.36	\$7,100.11
	8	\$6,097.93	12	\$1,058.99	\$3,725.99	\$8,582.22
	Total	\$5,532.55	75	\$1,382.82	\$686.39	\$8,582.22

Notes:

People were identified as having transitioned from a State Supported Living Center (SSLC) to the Home and Community-based Services Waiver (HCS) by the State Supported Living Centers.

Non-Residential is defined as Foster/Companion Care and Own Home/Family Home.

Residential is defined as 3-Bed Home and 4-Bed Home.

Payment is only counted in months during which HCS was authorized for the entire month. If an authorization for HCS did not begin until the middle of the month, HCS Dollars Paid are not included for that month.

List of Acronyms

Acronym	Full Name
CSIL	Community Services Interest List
DICAP	Department Indirect Cost Allocation Plan
HCS	Home and Community-based Services
HHSC	Health and Human Services Commission
ICAP	Inventory for Client and Agency Planning
ICF	Intermediate Care Facilities
IID	Individuals with an Intellectual Disability
LON	Level of Need
RC	Related Conditions
SSLC	State Supported Living Centers
SWICAP	State Wide Indirect Cost Allocation Plan
TxHmL	Texas Home Living