



RIDER 23 COST COMPARISON REPORT

September 2014

INTRODUCTION

The 2014-15 General Appropriations Act (S.B. 1, 83rd Legislature, Regular Session, 2013) Article II, Department of Aging and Disability Services (DADS), Rider 23, directs DADS 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 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-bed 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 the Texas Health and Human Services Commission (HHSC). For the State Supported Living Centers (SSLCs), these costs are covered in the per diem reimbursement rate.

SCOPE OF THE REPORT

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. The data in this report covers the time period of State Fiscal Year 2013 (September 1, 2012 through August 31, 2013).

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 (LON) 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.

23. Cost Comparison Report. Out of funds appropriated above, the Department of Aging and Disability Services (DADS) shall develop a report for the Legislature analyzing state and federally funded residential and nonresidential services in Home and Community-based Services (HCS), Texas Home Living, and Intermediate Care Facilities for Individuals with Intellectual Disabilities and Related Conditions (ICF-IID/RC).

a. The report shall include the following:

- (1) the monthly average cost to the state per person for individuals residing in state-operated and non-state operated ICF-IID/RC, HCS waiver program, and Texas Home Living waiver program by Level of Need (LON), and facility size (private ICF-IID only);
- (2) a comparison of severity across settings; and,
- (3) the total number of persons, by LON, who transitioned from state-operated ICF-IID/RC to the HCS residential waiver program for the previous biennium, and their average monthly cost of service in the HCS waiver program.

b. With respect to the cost to the state per person residing in a state operated ICF-IID/RC facility, the department shall include all costs, such as Statewide Indirect Cost Allocation Plan (SWICAP), Departmental Indirect Cost Allocation Plan (DICAP), maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical and overhead costs. With respect to the cost to the state per person in state-operated ICF-IID/RC facilities, non-state operated ICF-IID/RC facilities, and the HCS and Texas Home Living waivers, the department shall include all Medicaid costs including acute care costs that are not included in the waiver rate for those programs and all costs to administer and license those programs. For state-operated ICF-IID/RC facilities, the average monthly administrative and overhead costs shall be reported separately from the average monthly client care costs. The department shall identify the types of costs included in each category.

c. Cost for waiver recipients will cover the time a person enrolled in the waiver through the time they are terminated from waiver services. The cost for ICF-IID services will cover the time a person is admitted to the facility to the time of discharge unless the person is admitted to an ICF-IID or waiver within 60 days of discharge. In that case the Medicaid costs incurred during discharge will be counted toward the ICF-IID costs.

**Monthly Average Cost per Individual Served by Setting
Fiscal Year 2013**

	Average Monthly Cost Per Individual Served
<i>State Operated ICF-IID/RC (State Supported Living Center [SSLC])</i>	
Client Care Costs	14,143.81
Administrative/Overhead Costs	5,090.40
Total State operated ICF-IID/RC costs	\$ 19,234.21
<i>Non -State Operated ICF-IID/RC (Community ICF/IID)</i>	
Long-Term Care Costs	4,225.45
Acute Care Costs	330.67
Total non-State operated ICF-IID/RC costs	\$ 4,556.12
<i>HCS Waiver: Residential</i>	
Long-Term Care Costs	5,116.89
Acute Care Costs	356.21
Total HCS: Residential costs	\$ 5,473.10
<i>HCS Waiver: Non-Residential</i>	
Long-Term Care Costs	2,602.98
Acute Care Costs	523.06
Total HCS: Non-Residential costs	\$ 3,126.04
<i>HCS waiver: All Settings</i>	
Long-Term Care Costs	3,472.29
Acute Care Costs	465.15
Total HCS: All Settings costs	\$ 3,937.44
<i>Texas Home Living Waiver (TxHmL)</i>	
Long-Term Care Costs	872.61
Acute Care Costs	595.52
Total TxHmL Costs	\$ 1,468.13

**Non-state Operated ICF/IID by Facility Size
Fiscal Year 2013**

Average number of individuals served per Month

	Small	Medium	Large	Total
Intermittent (LON 1)	1,112	232	83	1,427
Limited (LON 5)	2,338	287	309	2,934
Pervasive (LON 6)	302	4	37	342
Extensive (LON 8)	746	38	84	869
Pervasive Plus (LON 9)	16	2	5	23
Total	4,507	562	519	5,596

Monthly Average Cost Per Individual

	Small	Medium	Large	Total
Intermittent (LON 1)	\$3,764.24	\$3,017.65	\$2,726.22	\$3,582.29
Limited (LON 5)	\$4,299.56	\$3,481.45	\$3,071.30	\$4,093.41
Pervasive (LON 6)	\$6,244.52	\$4,871.03	\$4,717.68	\$6,076.70
Extensive (LON 8)	\$4,976.82	\$4,220.14	\$3,509.42	\$4,811.92
Pervasive Plus (LON 9)	\$11,453.18	\$10,570.89	\$10,679.45	\$11,219.54
Total	\$4,442.16	\$3,373.48	\$3,281.35	\$4,225.45

Texas Department of Aging and Disability Services
Comparison of Consumers by Level of Need
Data as of August 31, 2013

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	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Intermittent (LON 1)	329	8.96%	1,427	25.51%	1,756	18.95%	5,493	27.18%	2,019	43.63%	7,511	30.25%
Limited (LON 5)	1,456	39.64%	2,934	52.44%	4,390	47.38%	8,735	43.24%	2,003	43.29%	10,738	43.24%
Extensive (LON 8)	1,267	34.49%	869	15.52%	2,136	23.04%	3,973	19.66%	498	10.76%	4,471	18.01%
Pervasive (LON 6)	600	16.34%	342	6.12%	942	10.17%	1,895	9.38%	107	2.32%	2,002	8.06%
Pervasive Plus (LON 9)	21	0.57%	23	0.41%	44	0.48%	110	0.54%	-	0.00%	110	0.44%
Total	3,673	100.00%	5,596	100.00%	9,269	100.02%	20,206	100.00%	4,627	100.00%	24,832	100.00%

Notes:

- This data is for FY 2013 as of 8/31/2014
- Data for State Operated ICF-IID/RC includes clients in SSLC, Corpus Christi Bond Homes, and Texana Behavioral Treatment and Training Center

Texas Department of Aging and Disability Services
Comparison of Consumers by Level of Need
Data Reported as of August 31, 2012

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	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Intermittent (LON 1)	325	8.28%	1,410	24.82%	1,735	18.07%	5,528	27.78%	1,745	44.38%	7,273	30.52%
Limited (LON 5)	1,546	39.41%	2,985	52.54%	4,531	47.17%	8,732	43.89%	1,686	42.87%	10,418	43.72%
Extensive (LON 8)	1,306	33.29%	901	15.86%	2,207	22.98%	3,894	19.57%	406	10.34%	4,300	18.05%
Pervasive (LON 6)	721	18.38%	367	6.46%	1,088	11.33%	1,652	8.30%	95	2.41%	1,747	7.33%
Pervasive Plus (LON 9)	25	0.64%	18	0.32%	43	0.45%	91	0.46%	-	0.00%	91	0.38%
Total	3,923	100.00%	5,681	100.00%	9,604	100.00%	19,896	100.00%	3,932	100.00%	23,828	100.00%

Notes:

- This data is for FY 2012 as of 8/31/2014
- Data for State Operated ICF-IID/RC includes clients in SSLC, Corpus Christi Bond Homes, and Texana Behavior Treatment and Training Center

**Review of Selected Physical and Mental Health Conditions
(State Supported Living Centers, Community ICFs/IID, and HCS)
Data Reported as of August 31, 2013**

Comparison of Consumers with Selected Health Conditions and Mental Health Diagnosis by Setting

	State-Operated ICF-IID/RC % of Consumers	State-Operated ICF/IID: Bond Homes % of Consumers	Non-State Operated ICF/IID: private % of Consumers	HCS % of Consumers	All Consumers % of Consumers
SELECTED HEALTH CONDITIONS:					
Ambulatory	67.13%	52.38%	94.70%	84.29%	84.24%
Non-ambulatory	31.96%	38.10%	4.57%	9.53%	11.19%
No IDD/RC Assessment	0.91%	9.52%	0.72%	6.18%	4.57%
Total Ambulatory/ Non-ambulatory	100.00%	100.00%	100.00%	100.00%	100.00%
SELECTED MENTAL HEALTH DIAGNOSES:					
Schizophrenia or Bipolar	16.08%	14.29%	8.88%	6.53%	8.06%

Note: Percentages are based on data from the IDD/RC assessment regarding diagnosis of schizophrenia or bipolar disorder as well as ambulatory and non-ambulatory status for consumers in the above setting with a current valid IDD/RC assessment as of 08/31/2013.

**Average Dollars Paid by Month for Home and Community-based Waiver Services for
People who Came off the Interest List in FY2013**

Residence Type	LON	Mean	Number of People	Std. Deviation	Minimum	Maximum
Non-Residential	1	\$2,058.47	43	\$1,083.25	\$180.70	\$4,956.19
	5	\$2,681.11	71	\$948.19	\$598.90	\$5,695.82
	6	\$3,896.03	27	\$1,563.90	\$839.23	\$10,314.45
	8	\$3,093.60	46	\$1,109.12	\$78.47	\$5,532.09
	Total	\$2,814.82	187	\$1,253.32	\$78.47	\$10,314.45
Residential		\$5,155.09	2	\$1,156.24	\$4,337.51	\$5,972.67
	1	\$4,650.98	22	\$833.96	\$2,701.34	\$6,130.17
	5	\$4,734.01	92	\$707.81	\$1,792.84	\$6,325.91
	6	\$5,668.81	30	\$3,409.77	\$1,052.96	\$22,787.77
	8	\$5,163.80	47	\$927.92	\$1,063.12	\$7,079.65
	9	\$7,350.36	5	\$2,477.97	\$4,218.03	\$9,841.95
	Total	\$5,038.77	198	\$1,615.46	\$1,052.96	\$22,787.77
Total		\$5,155.09	2	\$1,156.24	\$4,337.51	\$5,972.67
	1	\$2,935.94	65	\$1,589.55	\$180.70	\$6,130.17
	5	\$3,839.80	163	\$1,308.59	\$598.90	\$6,325.91
	6	\$4,829.07	57	\$2,820.27	\$839.23	\$22,787.77
	8	\$4,139.83	93	\$1,454.36	\$78.47	\$7,079.65
	9	\$7,350.36	5	\$2,477.97	\$4,218.03	\$9,841.95
	Total	\$3,958.56	385	\$1,827.12	\$78.47	\$22,787.77

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 FY2013**

Residence Type	LON	Mean	Number of People	Std. Deviation	Minimum	Maximum
Non-Residential		\$3,180.39	2	\$1,506.27	\$2,115.30	\$4,245.48
	1	\$3,441.04	8	\$1,298.17	\$1,829.93	\$5,066.14
	5	\$4,120.49	11	\$1,061.64	\$1,606.88	\$5,236.81
	6	\$4,130.24	24	\$916.94	\$1,494.98	\$5,580.77
	8	\$4,334.01	8	\$508.52	\$3,720.41	\$5,203.59
	9	\$9,221.43	1	.	\$9,221.43	\$9,221.43
	Total	\$4,115.44	54	\$1,215.70	\$1,494.98	\$9,221.43
Residential		\$5,541.52	7	\$630.85	\$4,386.94	\$6,080.96
	1	\$5,282.05	22	\$597.20	\$3,625.46	\$6,012.63
	5	\$5,446.38	73	\$733.91	\$2,614.32	\$6,568.99
	6	\$5,502.15	138	\$810.45	\$0.00	\$6,775.62
	8	\$5,795.91	71	\$494.21	\$3,216.06	\$6,305.60
	9	\$9,236.85	7	\$1,878.32	\$5,587.30	\$10,822.80
	Total	\$5,622.79	318	\$935.37	\$0.00	\$10,822.80
Total		\$5,016.82	9	\$1,290.77	\$2,115.30	\$6,080.96
	1	\$4,791.11	30	\$1,162.19	\$1,829.93	\$6,012.63
	5	\$5,272.76	84	\$897.50	\$1,606.88	\$6,568.99
	6	\$5,298.90	162	\$958.14	\$0.00	\$6,775.62
	8	\$5,647.87	79	\$662.87	\$3,216.06	\$6,305.60
	9	\$9,234.92	8	\$1,739.00	\$5,587.30	\$10,822.80
	Total	\$5,403.98	372	\$1,114.18	\$0.00	\$10,822.80

Notes

- People were identified as having transitioned from a State Supported Living Center (SSLC) to the Home and Community-based Services Waiver (HCS) if they began HCS services either slightly before ending SSLC services or within a year of ending SSLC services and HCS services began in FY2013.
- 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.