



Bureau of Legislative Research

Arkansas Health Reform Legislative Task Force Subcommittee – State Development Center Average Cost Comparison

June 14, 2016

Intermediate Care Facilities

- Optional Medicaid benefit
- Provide 24-hour residential services and active treatment
- Target population: persons with intellectual and developmental disabilities

Arkansas Human Development Centers

Background

Fiscal Year 2016 Census and Budget

	2016			
	Census	Annual Budget	Average Annual Spending / Resident	Estimated Spending Per Resident, Per Diem
Arkadelphia	114	\$ 14,787,267	\$ 129,712.87	\$ 355.38
Booneville	124	\$ 15,770,030	\$ 127,177.66	\$ 348.43
Conway	466	\$ 63,616,978	\$ 136,517.12	\$ 374.02
Jonesboro	106	\$ 12,364,386	\$ 116,645.15	\$ 319.58
Warren	93	\$ 11,973,784	\$ 128,750.37	\$ 352.74
Total	903	\$ 118,512,445	\$ 131,243.02	\$ 359.57

Source: Arkansas Department of Human Services, provided 4/15/16.

Note: The budget data provided is inclusive of all funding sources. It includes direct and indirect costs, including administrative and allocated costs.

Number of Large State ICFs

Facilities in Operation	Count of States	States
0	14	Alabama, Alaska, Arizona, District of Columbia, Hawaii, Indiana, Maine, Michigan, Minnesota, New Hampshire, New Mexico, Oregon, Rhode Island, Vermont
1 to 5	29	Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Montana, Nebraska, Nevada, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming
6 to 10	6	Connecticut, Illinois, Missouri, Mississippi, New Jersey, Ohio
11 to 15	1	Texas
16 to 20	0	
21 to 25	0	
26 to 30	1	New York

Source: The Research and Training Center on Community Living, Institute on Community Integration, 2016 (data as of 6/30/2013).

State Trends

- 13 states and the District of Columbia did not have any large, state-operated ICFs as of June 30, 2013. Since 2013, additional states have closed facilities and some now no longer operate any facilities (i.e., Oklahoma).
- State updates:
 - Virginia: Agreed to close four of its five state ICFs as part of a settlement agreement with the Department of Justice. The Northern Virginia Training Center officially closed on 3/31/16 and the state's overall state ICF facility census has dropped from 1,200 in 2010 to 515 at present.
 - Connecticut: Recently announced plans to close the 500 bed Southbury state ICF facility by 2017/2018.
 - California: Recently announced plans to close the Sonoma, Fairview, and Porterville State ICFs by 2021, with Sonoma scheduled to close in 2018.
 - Tennessee: One remaining facility planned to close by June 30, 2016.

10 States with Highest Resident Total, as of June 30, 2013

State	# Residents
Texas	3,547
New Jersey	2,413
Illinois	1,810
California	1,567
North Carolina	1,272
Mississippi	1,212
Pennsylvania	1,041
Ohio	952
Arkansas	934
Washington	808
U.S. Total	23,084

Source: The Research and Training Center on Community Living, Institute on Community Integration, 2016.

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10 States with the Highest Average Facility Census, as of June 30, 2013

State	Avg. Residents / Facility
New Jersey	344.7
Florida	342.5
North Carolina	318.0
California	313.4
Texas	272.8
Illinois	258.6
Louisiana	234.0
Iowa	214.5
Pennsylvania	208.2
Utah	206.0
U.S. Average	144.3

- Arkansas average facility size: 186.8
- Nine states have between 150 – 250 average residents/facility: LA (234.0), IA (214.5), PA (208.2), UT (206.0), MS (202.0), WA (202.0), MA (172.0), KS 163.5), and VA (155.8).

Source: RISP, 2016.

Average Daily Spending, FY13

	Average Daily Spending	Estimated Annual Spending
New York	\$1,653	\$603,345
Delaware	\$1,209	\$441,285
Minnesota	\$1,179	\$430,335
Tennessee	\$1,168	\$426,320
Connecticut	\$1,133	\$413,545
Nebraska	\$1,089	\$397,485
Maryland	\$1,084	\$395,660
Kentucky	\$1,078	\$393,470
California	\$1,045	\$381,425
Pennsylvania	\$1,036	\$378,140
Massachusetts	\$1,019	\$371,935
Virginia	\$868	\$316,820
Colorado	\$846	\$308,790
Wisconsin	\$809	\$295,285
Wyoming	\$802	\$292,730
New Jersey	\$799	\$291,635
Idaho	\$763	\$278,495
North Dakota	\$762	\$278,130
Iowa	\$757	\$276,305

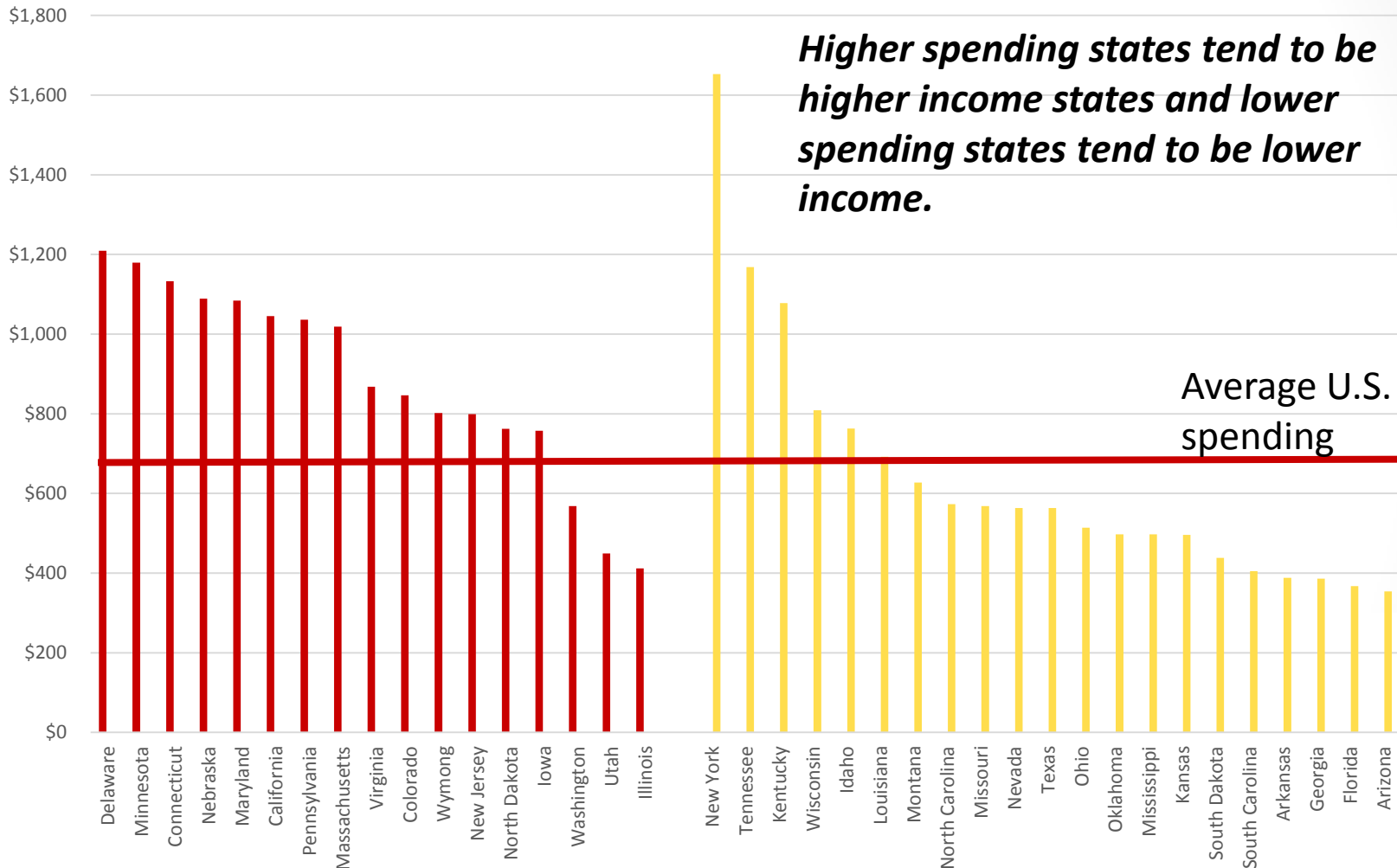
	Average Daily Spending	Estimated Annual Spending
Louisiana	\$692	\$252,580
Montana	\$627	\$228,855
North Carolina	\$573	\$209,145
Missouri	\$568	\$207,320
Washington	\$568	\$207,320
Nevada	\$563	\$205,495
Texas	\$563	\$205,495
Ohio	\$514	\$187,610
Mississippi	\$497	\$181,405
Oklahoma	\$497	\$181,405
Kansas	\$496	\$181,040
Utah	\$449	\$163,885
South Dakota	\$438	\$159,870
Illinois	\$412	\$150,380
South Carolina	\$405	\$147,825
Arkansas	\$388	\$141,620
Georgia	\$386	\$140,890
Florida	\$367	\$133,955
Arizona	\$354	\$129,210
United States	\$701	\$255,865

Source: Braddock et al, "The State of the States in Intellectual and Developmental Disabilities: Emerging from the Great Recession," 2015.

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Average FY 13 Daily Spending, by 2013 Median Income



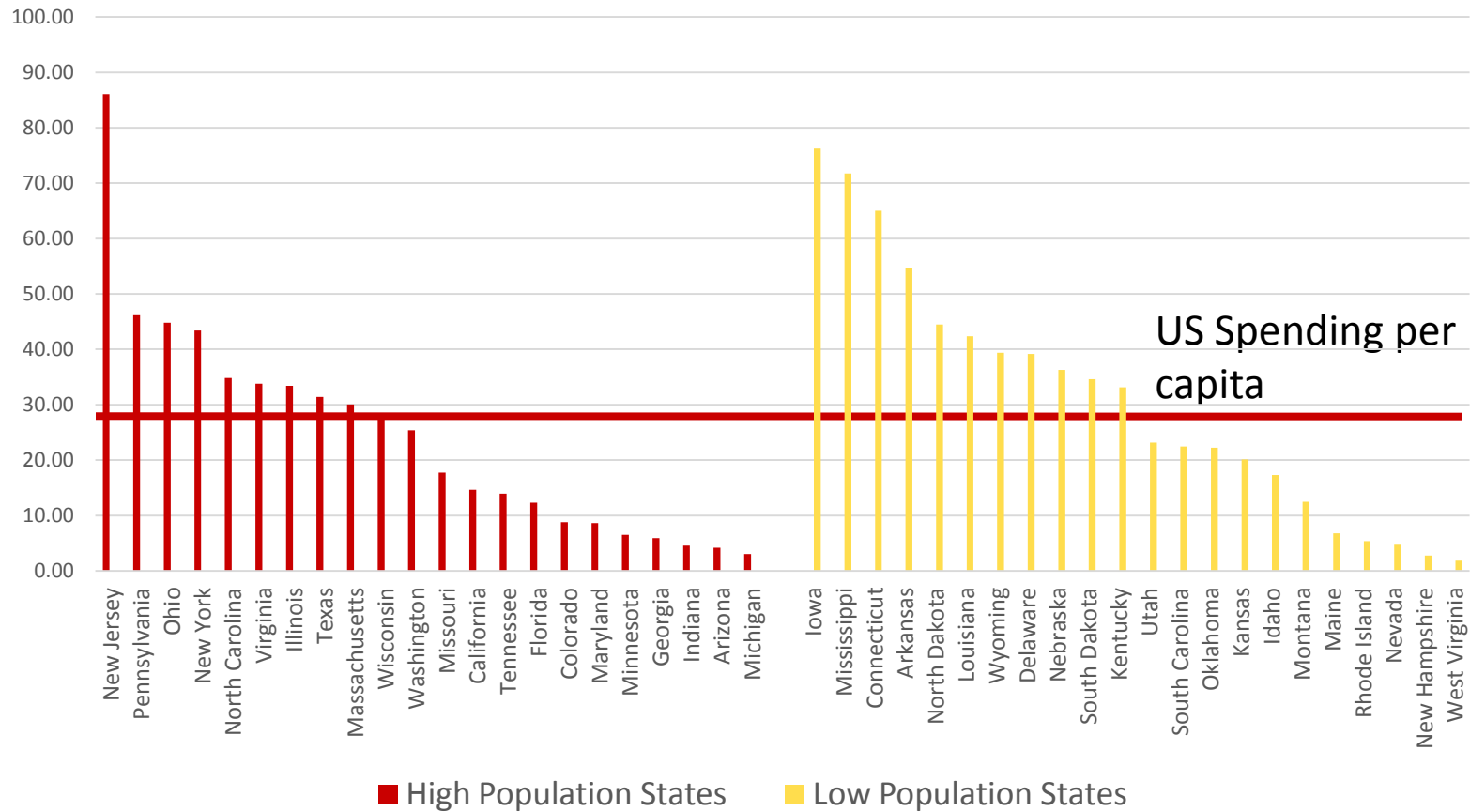
Source: University of Colorado, 2015. U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements.

■ High Income States ■ Low Income States
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Spending on IDD Institutional Services, per capita (FY13)

(in dollars)



Source: Rick Kemp, University of Colorado, 2016.

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Analysis

- Total spending includes marginal and fixed costs. Average cost includes the total spending divided by the number of residents.
- States that are downsizing/closing facilities typically experience an increase in the average cost as the number of residents decreases.
- Several states that spend more per person than Arkansas either have had or have upcoming facility closures (examples include but are not limited to Minnesota, New Jersey, Oklahoma, and Tennessee).
- Arkansas has 5 facilities and is ranked 9 in total residents, which influences total spending but also ***allows the state to spread fixed costs across more people*** (decreasing average cost).
- Another factor relates to the state's cost allocation methodology. Some states may allocate more administrative expenses to their state facilities than others.

Marginal

- Function of # residents, # facilities a state operates
- Examples: consumable supplies and food, direct care staff

Fixed

- Not affected by # facilities or # residents
- Examples: Facility costs, certain administrative costs