

Arkansas Health Reform Legislative Task Force Subcommittee – Human Development Centers

August 15, 2016

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THE STEPHEN GROUP

Agenda

- Transitions from ICFs to Community-based Programs
 - Oklahoma, Georgia, Alabama, Tennessee
 - State Reporting of Group Home Abuse in Massachusetts
 - Arkansas
- HDC Subcommittee Questions Document
 - Cost Analysis
 - Long-Range Planning

Arkansas Community Transitions

Findings:

- Transition Process:
 - Each center employs a transition coordinator
 - Preparation begins months before move
 - Family engagement and preview of setting
 - Follow-up visits for two years
 - Rate structure provides extra support around transition
 - DHS does not formally collect parent/guardian/resident satisfaction information
- DHS reports low occurrence of problems with transitions:
 - In 2010, agency gained experience with closure of Alexander HDC – over 100+ residents transitioned to other settings
 - Readmissions to HDCs after community transitions are low
 - Continuity of care (specifically health care) can be a challenge
 - Other Community Monitoring: DHS Licensing investigates intakes related to licensing violations and Child and Adult Protective Services investigate maltreatment

Transitions Process

TSG Recommendations:

- Measure parental/guardian/resident satisfaction with transition process using survey.
- Publish data on licensing violations and confirmed allegations of abuse/neglect/exploitation across settings.
- Continue to evaluate capacity of licensing function to ensure adequate capacity of community (growth in licensing monitors to mirror growth in waiver enrollment).

Cost Comparison

HDCs

	FY16 Estimated Spending Per Resident, Per Diem
Arkadelphia	\$ 355.38
Booneville	\$ 348.43
Conway	\$ 374.02
Jonesboro	\$ 319.58
Warren	\$ 352.74
Total	\$ 359.57

HCS Waiver

For last 100 persons to transition (between FY12 – present)

\$273.71 per day

- This excludes other sources of support (Food

Stamps)

- This excludes room and board (pay using SSI benefit)

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.

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HDC Cost Analysis:

07/01/14 - 06/30/15

Total Cost

	Conway	Warren	Arkadelphia	Jonesboro	Booneville
Actual Medicaid patient days	174,541	32,226	42,921	37,439	46,333
Room and Board	\$ 3,981,647.14	\$ 1,058,285.63	\$ 1,106,758.28	\$ 773,157.17	\$ 1,080,092.59
Health Care	\$ 45,970,892.35	\$ 9,188,371.71	\$ 9,684,325.91	\$ 8,710,435.57	\$ 9,438,828.72
Maintenance and Operations	\$ 5,401,203.67	\$ 1,576,901.35	\$ 2,277,157.64	\$ 1,490,103.28	\$ 2,158,408.47
General Administration	\$ 9,336,270.48	\$ 2,615,202.09	\$ 3,468,405.61	\$ 3,343,169.65	\$ 4,080,576.67
Other	\$ (916.94)				
Provider Fee	\$ 3,577,277.70	\$ 662,878.49	\$ 881,070.61	\$ 774,513.40	\$ 951,740.60
Comp. Administration	\$ 136,199.78	\$ 114,525.78	\$ 95,990.55	\$ 111,482.05	\$ 104,758.81
All Costs	\$ 68,267,290.38	\$ 15,101,639.27	\$ 17,417,718.05	\$ 15,091,379.07	\$ 17,709,647.05

Cost Per Medicaid Bed Day

	Conway	Warren	Arkadelphia	Jonesboro	Booneville
Room and Board	\$ 22.81	\$ 32.84	\$ 25.79	\$ 20.65	\$ 23.31
Health Care	\$ 263.38	\$ 285.12	\$ 225.63	\$ 232.66	\$ 203.72
Maintenance and Operations	\$ 30.95	\$ 48.93	\$ 53.05	\$ 39.80	\$ 46.58
General Administration	\$ 53.49	\$ 81.15	\$ 80.81	\$ 89.30	\$ 88.07
Provider Fee	\$ 20.50	\$ 20.57	\$ 20.53	\$ 20.69	\$ 20.54
Comp. Administration	\$ 0.78	\$ 3.55	\$ 2.24	\$ 2.98	\$ 2.26
All Costs	\$ 391.12	\$ 468.62	\$ 405.81	\$ 403.09	\$ 382.23

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HDC Cost Analysis (cont.)

Findings:

- Differences in the unit costs exist across facilities, suggesting some facilities may be more efficient than others.
- Differences may be due to:
 - Client acuity - Conway serves the most medically fragile residents, Arkadelphia's campus layout can only serve ambulatory residents
 - Wage differences, use of contractors
 - Local budgeting (all centers prepare own budgets)
 - Efficiencies achieved by individual centers

TSG recommendation: Conduct further analysis to understand cost variations and identify efficiencies that can be replicated across the system.

Facility Costs

- Facilities projects locally-identified but centrally managed and prioritized (best practice).
 - Life and Safety projects prioritized.
 - Flexibility in the process to address emergency needs.
- Funding sources:
 - Federal government Depreciation Fund (approx. \$3 million this year, amount varies)
 - Operating Budgets
- Department does not have a central plan for preventive maintenance or a 5-year estimate of cost to replace all systems projected to reach end of life expectancy.

Facility Requests for Upcoming Year

Facility	Expenditures
Conway	\$1,100,000
Arkadelphia	\$619,000
Jonesboro	\$993,250
Booneville	\$1,109,000
Warren	\$385,000
Total	\$4,206,250

Source: DHS, 08/04/16.

Facility Costs (cont.)

Life and Safety Code Improvements
2013 – 2014 – 2015

Facility	Expenditures
Conway	\$645,518
Arkadelphia	\$339,166
Jonesboro	\$393,809
Booneville	\$616,894
Total	\$1,998,387

Source: DHS, 08/04/16.

Note: Warren has not had any Life and Safety Code-related improvements during this period (newest facility).

Cost Containment

- Energy efficiency initiatives – examples of past initiatives:
 - **Arkadelphia:** Chiller replacement, lighting retrofit, HVAC retrofit/replacement
 - **Booneville:** Roof replacement, water tower replacement, water heater system replacement, sewer treatment system upgrade
 - **Conway:** chiller replacement, window replacement, lighting retrofit
 - **Jonesboro:** Hot water system upgrade, HVAC retrofit and replacement, lighting retrofit
- **Warren:** Lighting retrofit
- Reduce staffing/contracting where possible (pharmacy)
- Bundled contracts and comparative shopping for commodities

Vehicles

MILEAGE	Arkadelphia	Booneville	Conway	Jonesboro	Warren
Under 100,000 miles	14	17	25	13	12
100,001-150,000 miles	2	3	3	2	6
150,001-200,000 miles	1	1	0	0	0
200,001+ miles	1	0	0	0	0
Total	18	21	28	15	18
AGE	Arkadelphia	Booneville	Conway	Jonesboro	Warren
0-5 years	3	10	6	4	3
6-10 years	9	5	7	5	8
10-15 years	3	2	9	5	4
16+ years	3	4	6	1	3
Total	18	21	28	15	18

Data provided 8/4/16, Forrest Steele, in hard copy, transcribed by TSG

- State replacement criteria: eligible at 5 years/100,000 miles (most are used beyond this criteria)
- Department of Finance Administration replaces some vehicles annually. Centers may use funds in budget for vehicle replacement and purchase using state contract.
- HDCs maintain vehicles using on-site mechanics.
- As mileage increases, HDC may continue to use a vehicle in limited areas/for specific purposes.

Significant Cost Driver – Turnover

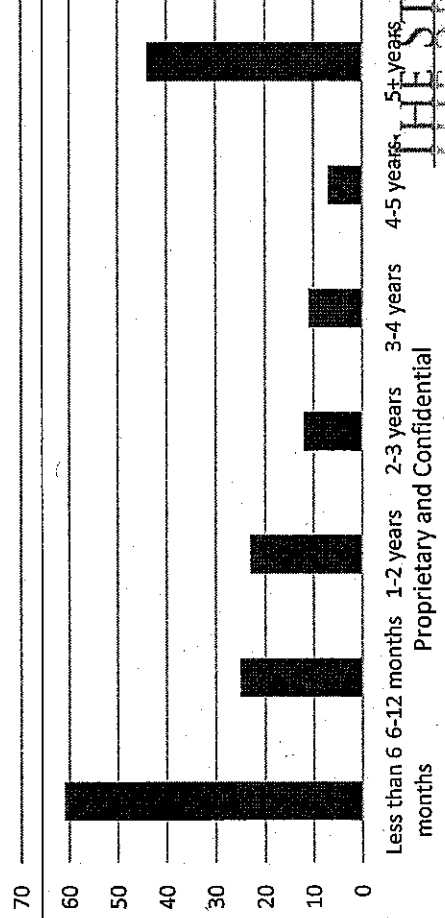
(corrected)

2015 Turnover in 4 Direct Care Positions

	Conway	Jonesboro	Warren	Booneville	Arkadelphia	Total
Residential Care Assistant	165.0%	198.0%	158.0%	88.0%	200.0%	161.0%
Residential Care Technician	39.0%	55.0%	37.0%	16.0%	32.0%	35.0%
Shift Supervisor	29.0%	65.0%	40.0%	24.0%	33.0%	37.0%
Residential Care Supervisor	9.0%	20.0%	83.0%	0%	32.0%	20.0%
Total	68.0%	105.0%	85.0%	33%	66.0%	69.0%

2015 Turnover by Tenure (in months)

Analysis of 183 exit interviews received



Source: DHS,

08/04/16.

Turnover Analysis

- DHS Recruitment regularly collects and analyzes turnover data and exit interviews, and shares with program (best practice).
- From DHS analysis:
 - Highest turnover among those with less than 6 months tenure
 - 85% of people leaving are leaving voluntarily (job stress, retiring, health reasons)
 - 66% agreed that expectations, work assignments and deadlines were reasonable (common complaint was heavy workload)
 - 62% agreed that supervisor was effective in administering work (common complaints: favoritism, lack of respect, lack of professionalism, misuse of authority)
- 24% said not provided timely and useful feedback about job performance and 25% didn't feel opportunities for advancement

Turnover Analysis (cont.)

Findings:

- A career ladder exists for the four direct care staff positions (4-year degree not required). Opportunities for pay increases at frequent intervals initially but limited once reach supervisor.
- No pay incentives/rewards to obtaining additional education.
- Some centers are struggling more than others:
 - Arkadelphia and Jonesboro – competition with local employers
 - Warren – local culture
- Quality of supervision as common theme – supervisor development an opportunity to improve worker retention
- Private IDD providers and other local competitors have more competitive salaries – DHS limited in entry salary.

Turnover Analysis (cont.)

Findings:

- DHS has used a number of strategies to improve recruitment and retention:
 - Job preview video
 - Mass interviews
 - Special hourly entry rates in certain markets
 - Continuously advertised/freeze exempt positions
 - Pilot to improve interview process at Jonesboro
 - Dedicated FTE to focus on hard-to-fill positions (nurse recruiter)

TSG Recommendations:

- Establish a supervisor development program
- Research feasibility and cost of establishing new career ladder for supervision/management

Long-Range Planning

Findings:

- No analysis has been completed on the value of the HDC campuses (the land and buildings).
- DHS does not have an estimate of the cost to replace all systems that will fail within next five years.
- Existing facilities have strategic plans that outline current and future initiatives and center goals, and are developed by a multi-disciplinary group of local stakeholders (best practice).
- DHS does not have a long-range plan for the HDC system.

TSG Recommendation: DHS to develop a long-range plan for the legislature that considers the following over the next five years:

- Forecasted demand for HDC services at state and regional level, assuming changes in resident acuity if applicable;
- Analysis of how DHS can most effectively and efficiently meet forecasted need through existing HDCs or changes to the system (size, location); and,
- Cost estimate to meet forecasted demand (including estimated infrastructure needs).