



Bureau of Legislative Research

# Arkansas Health Reform Legislative Task Force Subcommittee – Human Development Centers

September 19, 2016

# Follow-up Questions from Last Meeting

1. Licensing – What is the ratio of DHS licensing staff to clients in the waiver? Has this changed over time?
2. Turnover – Provide 3 years of data for the 4 key direct care staff positions.
3. Cost Variation across HDCs – Conduct more analysis
4. Cost Comparison between HDCs and communities – Conduct more analysis
5. Privatization of state-run facilities

# **COST COMPARISON OF HDCS**

# Oversight of Community-based Programs

- Several entities provide oversight of community-based programs such as the HCBS waiver:
  - DHS Licensing Unit
  - Adult and Child Protective Services
- One risk TSG previously highlighted was to ensure that DHS maintains an adequate ratio of Licensing staff to Clients as the number of transitions out of Human Development Centers increases over time and/or reductions to the interest list occur.
- Both the number of waiver clients and the number of Licensing staff have remained fairly flat over the last few years.

	FY13	FY14	FY15
Wavier Clients	4,147	4,120	4,171
Monitoring Staff	6	6	6
Clients/Staff Ratio	691.2	686.7	695.2

# Turnover – All Staff

	<b>2013</b>	<b>2014</b>	<b>2015</b>
Arkadelphia	29.8%	45.8%	51.9%
Booneville	19.3%	34.2%	34.2%
Conway	20.2%	47.1%	47.5%
Jonesboro	52.1%	107.9%	77.6%
Warren	33.5%	26.0%	45.7%

# Turnover – 4 Direct Care Positions

Residential Care Assistant					
	Conway	Jonesboro	Warren	Booneville	Arkadelphia
2013	46%	132%	63%	28%	66%
2014	67%	101%	67%	60%	74%
2015	165%	198%	158%	88%	200%

Residential Care Technician					
	Conway	Jonesboro	Warren	Booneville	Arkadelphia
2013	30%	53%	13%	22%	36%
2014	34%	40%	16%	19%	32%
2015	39%	55%	37%	16%	32%

Shift Supervisor					
	Conway	Jonesboro	Warren	Booneville	Arkadelphia
2013	51%	44%	20%	20%	30%
2014	16%	36%	30%	20%	23%
2015	29%	65%	40%	24%	33%

Residential Care Supervisor					
	Conway	Jonesboro	Warren	Booneville	Arkadelphia
2013	19%	45%	0%	16%	22%
2014	11%	36%	11%	16%	0%
2015	9%	20%	83%	0%	32%

# 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

# HDC Cost Analysis (cont.)

- 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, Booneville'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 suggested conducting further analysis to understand these cost variations and identify efficiencies that can be replicated across the system.
- The next slides show some of the results of this analysis.

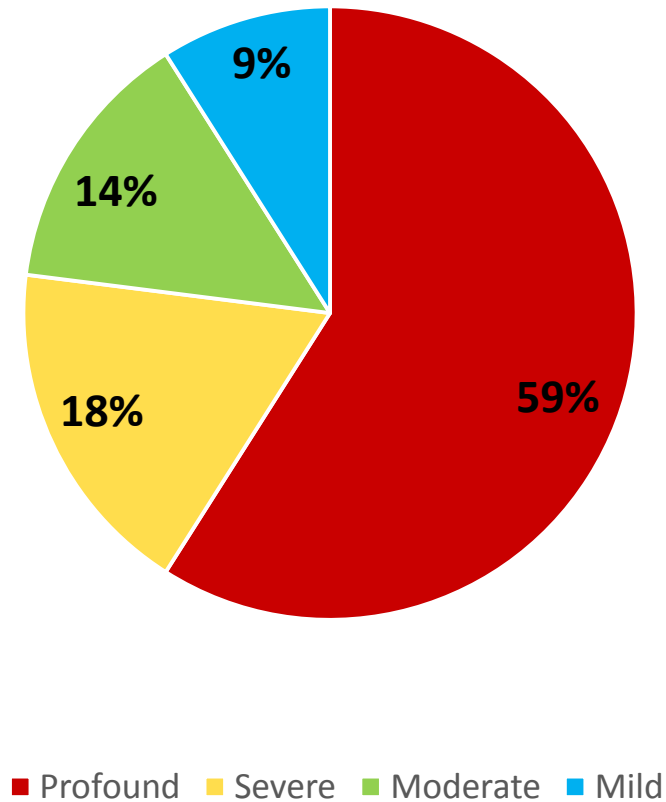


# HDC Resident Characteristics – FY2016

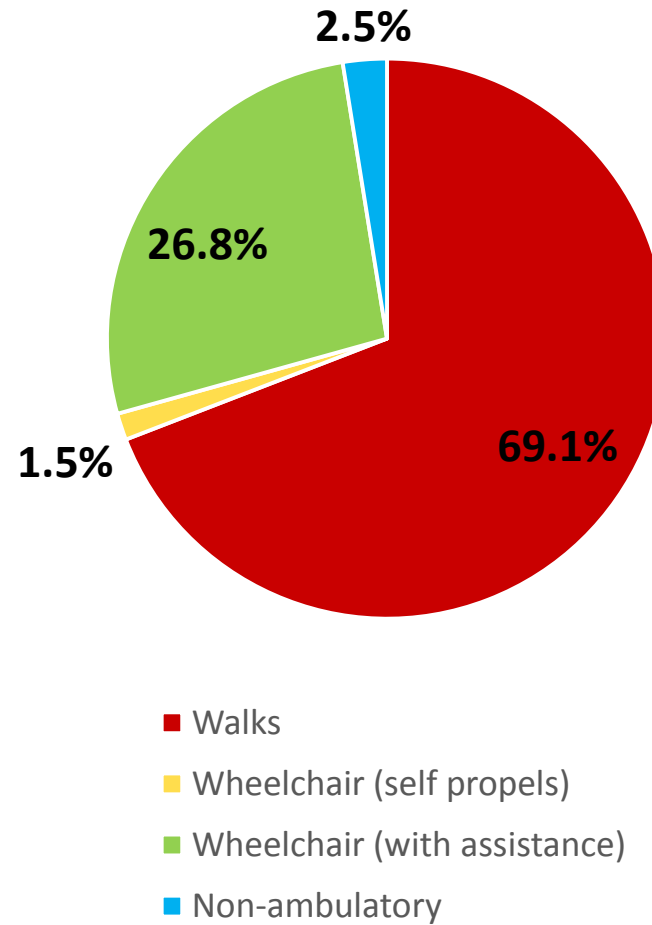
- DHS provided statistics on current HDC residents, across all facilities.
- Further research is needed to identify if there are significant differences in the client compositions of the different HDCs.
- If significant differences exist, they may be partially responsible in explaining the differences in operational costs of the facilities.
- The next several slides summarize this data for informational purposes.
- High level resident summary:
  - 907 HDC residents
  - 64.5% Male, 35.5% Female
  - 75.4% Caucasian, 22.4% African American, .1% Hispanic, .1% Other

# Client Acuity

## Adaptive Level of Function

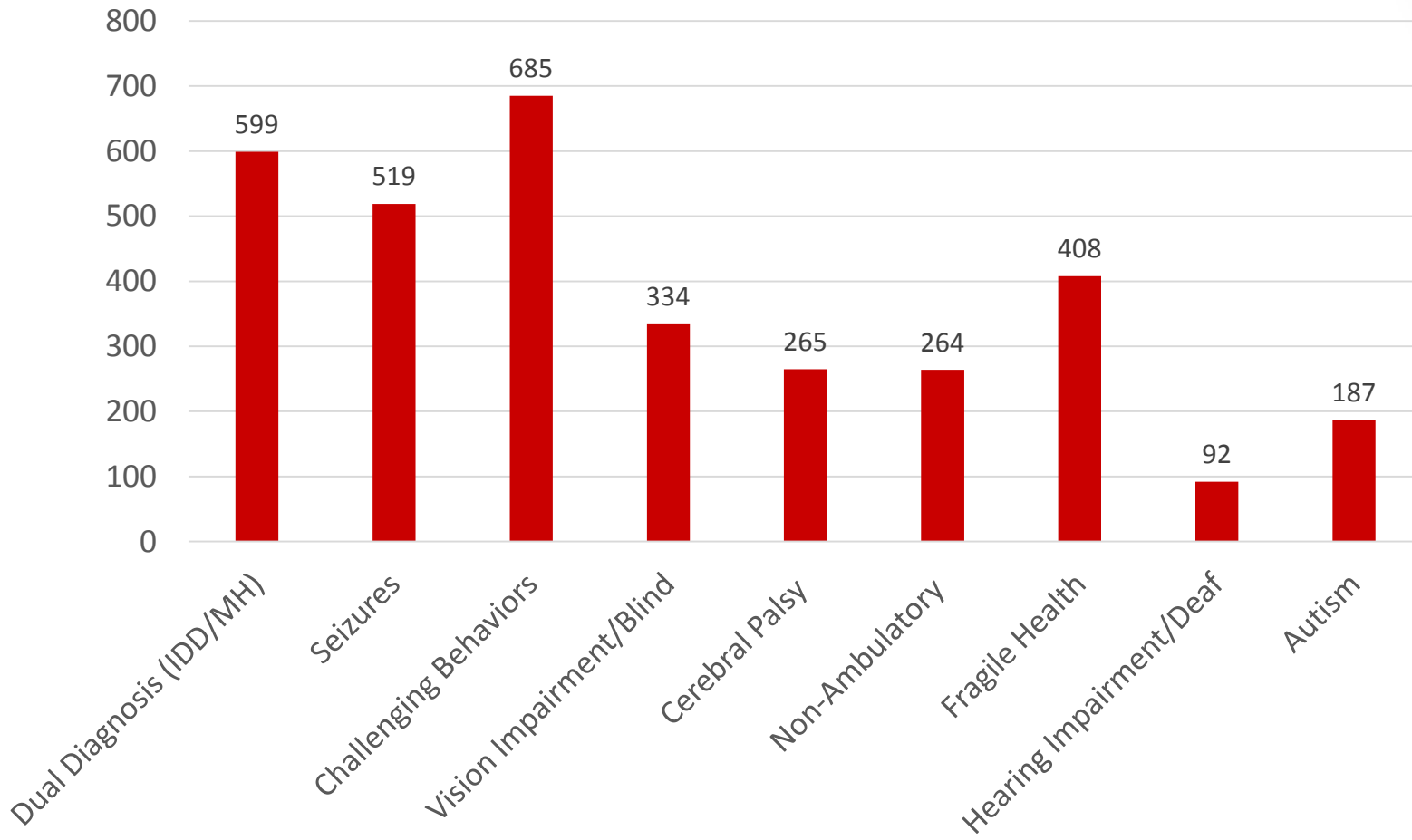


## Client Mobility Status



# Secondary Diagnoses

**\*Primary is Intellectual/Developmental Disability**



# Staffing Ratios

	Arkadelphia	Booneville	Conway	Jonesboro	Warren
<b>Total Staff</b>	238	320	1056	264	246
<b>Direct Services Staff</b>	120	187	643	153	156
<b>Professional Staff</b>	43	38	181	33	36
<b>Administrative Staff</b>	75	95	232	78	54
<b>Current Client Count</b>	114	124	469	109	93
<b>Ratio of Total Staff/Clients</b>	2.1	2.6	2.3	2.4	2.6
<b>Ratio of Direct Services Staff/Clients</b>	1.1	1.5	1.4	1.4	1.7
<b>Ratio of Professional Staff/Clients</b>	0.4	0.3	0.4	0.3	0.4
<b>Ratio of Administrative Staff/Clients</b>	0.7	0.8	0.5	0.7	0.6

- Staffing ratios are fairly consistent across facilities. There may be some opportunities to optimize staff across the system but it is not likely this is driving cost differences.
- The figure above includes state employees only but some facilities make greater use of paid contractors than others. Variations in their salaries, especially in remote areas of the state, may be contributing to cost differences.

# **COST COMPARISON BETWEEN HDCS AND WAIVER SERVICES**

# Medicaid Cost Comparison

## HDCs

	<b>FY16 Estimated Spending Per Resident, Per Diem</b>
Arkadelphia	\$ 355.38
Booneville	\$ 348.43
Conway	\$ 374.02
Jonesboro	\$ 319.58
Warren	\$ 352.74
Total	\$ 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.

## HCS Waiver

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

**\$273.71 per day for long-term services and supports.** This excludes:

- acute care Medicaid expenses
- other non-Medicaid sources of state support (Food Stamps)
- This excludes room and board (pay using SSI benefit)