

Department of Developmental Services
Intermediate Care Facility (ICF) and Community Living Arrangement (CLA)
Variable Residential Cost Notes
Fiscal Year (FY) 2014 Cost Data
February 2016

Preamble:

- This analysis was first presented in July 2015 for FY13 data to provide a more realistic comparison of costs among Department of Developmental Services (DDS) 24-hour residential settings. The analysis has now been updated with FY14 data, presented in this report. The analysis compares the variable costs of the residential settings operated or funded by DDS. It does not represent all the costs to support DDS clients in the community, or the amount billed by the Department of Social Services (DSS) for federal reimbursement.
- DDS funds direct care services and room and board in the public settings. In the private settings, DDS funds direct care services and DSS funds room and board. Given that private provider funding, expenses, billing, costs, etc., are recorded and funded very differently, it is not easy to make direct cost comparisons and therefore some in-depth analysis was required. The result is a much more accurate cost comparison. Although it is nearly impossible to achieve 100% comparability, DDS does believe these numbers provide a better approximation of the comparison of variable direct service costs.

Goal:

- Provide the report users with a fair comparison of the variable operational costs of public versus private ICF and CLA services. This cost model captures the direct care salaries, fringe benefits on those salaries and non-salary operational costs. Identifying only the cost for direct care services allows the report user to clearly understand the cost per individual served in all agency funded ICF and CLA settings.

Report Constraints:

- This report uses 2014 cost data for both public and private operations. This is the most recent audited cost data available for private settings at this time.
- Debt service and state employee fringe benefit costs are not paid through the DDS appropriation, but are funded by other state agencies.
- The depreciation for capital improvements for private providers is funded through their room and board rates set by the Department of Social Services (DSS).

Footnotes:

1. **Direct care salaries** are comprised of only direct care salaries and wages including: full and part-time salaries, overtime, longevity and shift differential. Direct care staff refers to job codes that work hands-on with the residents in ICF or CLA settings and it does not include clinical, maintenance or administrative staff.

2. **Total non-salary** costs include room and board costs (food, utilities, household supplies), premises maintenance costs, transportation, employee training, client recreation, interest on vehicle financing, and minor equipment.
3. **Employee benefits – fringes** includes the following fringe benefit costs:

	Southbury Training School	Regional Centers	Public CLAs
Medical Insurance	\$7,823,847	\$5,942,601	\$12,324,151
FICA	\$2,512,674	\$1,635,861	\$3,247,929
Medicare	\$594,975	\$388,327	\$765,082
Unemployment Compensation	\$50,740	\$33,306	\$65,206
Group Life	\$52,066	\$26,246	\$54,760
State Employee Retirement System (SERS)	\$12,893,745	\$8,461,857	\$16,506,914

Note: only the SERS normal cost is included. The “normal cost” is the cost of accrued SERS liability associated with the benefits earned only in this particular year, not the cost of benefits earned in prior years of service (unfunded liability).

4. **Total variable residential service cost** is the sum of the following previously detailed categories: direct care salaries, total non-salary, and employee benefits – fringes (normal cost).
5. DDS only funds public ICFs. All private ICFs are funded by DSS.
6. This comparison only represents the cost of providing residential services and does not include day programs or health care expenditures.
7. The cost of community placements for individuals moving from Southbury Training School or the Regional Centers may be greater than the average of \$113,860, due to greater service needs; in particular, medical needs. On June 30 2014, the average Level of Need (LON) scores of individuals living in the various settings were as follows:
 - Private CLAs: 5.70
 - Southbury Training School: 6.30
 - Regional Centers: 6.40
 - Public CLAs: 5.80