Questions Regarding the Cost Estimates of SB 627 Work Group Options Submitted by Peter Kinzler, Work Group Member, September 17, 2014

The questions and requests are designed to help the Work Group understand the key assumptions and supporting data DBHDS will be using to estimate the costs of the different options.

Training Center Costs

1. As there are six options, it would be helpful if you would provide a chart with the relevant information about, and cost of, each option.
2. The Work Group discussed using assumptions of reductions of 25 and 50 percent in the number of Training Center residents. That will work easily for the first three options as they assume that all four Training Centers will remain open. When you calculate the cost for the three options that assume fewer remaining Centers, please calculate the cost assuming 25 and 50 percent reductions from the present total census of about 600. That will require you to make some assumptions as to how many residents will be in each Center but it is in accord with the intention behind those options.
3. Buildings and Grounds: Please identify the assumptions for each option, where relevant, for:
    a. The percentage of the annual budget of the Northern Virginia Training Center (NVTC) that is attributable to operating expense, including building and grounds, and the percentage attributable to personnel. Could you also provide the actual dollar amounts in addition to the percentages? What is the current staff census, represented in Full Time Equivalencies, for NVTC?
    b. The reconfiguration of each center for the different census sizes, whether in existing or new buildings.
    c. The disposition of unused buildings and grounds, including, if appropriate, sharing, leasing, or selling off buildings or land.
    d. The market value of the lease or sale of buildings and grounds.
4. Staff: Please identify the assumptions for:
    a. The infrastructure for administration and essential clinical or program services that are needed, regardless of the size of the Training Center.
    b. The business as usual savings associated with the reductions of 25 and 50 percent in the census, including the required levels of staffing.
    c. The costs of a contract arrangement between the DDHSN and the regional Training Center for staff services so that the Training Center provides only the necessary health care professional effort. This approach would replace the existing arrangement of having Training Center health care professionals onsite with an arrangement whereby the staff were hired by the DDHSN and the Centers contracted the services it needs.

Defining comparable care

The Department previously provided the Work Group with information about the services that are included in the annual cost per individual at the Training Centers and the services available under the ID waiver.

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1. Would you please indicate which of the services that are available in a Training Center would not be part of the services that are necessary to provide comparable care in the community to a former Training Center resident with profound ID and either complex medical or severe behavioral problems?
2. Please identify which of the services that Medicaid allows payment for at the Training Centers are not available under the Medicaid waiver.
3. Do you have data on how much the average community direct care staff and therapy specialists are paid statewide and in Northern Virginia? How do those figures compare to the compensation packages at the Training Centers? Do you believe the present Medicaid waiver and any proposed changes for the new waiver will provide sufficient funds so providers can pay these staff enough to maintain careers as specialists to sustain continuity of care similar to that in the Training Centers for those transitioning to the community?
4. What are the nursing staff ratios at each Training Center and what are the nursing personnel expenses? What nursing ratios and expenses do you estimate will be needed in the community to provide comparable care for those requiring such care? Are such services available under Waiver Skilled Nursing Services?

The Cost of Comparable Care in the Community: *Establishing an updated baseline for the future costs of supporting former Training Center residents in the community*

Nearly three years have passed since the original DBHDS plan was devised and costed. During that time, SB 627, establishing a comparable care standard, was adopted. The following questions are designed to understand the impact on waiver costs of experience during that time and the likely impact of adoption of the SB 627 standard, as well as to identify the costs for services provided through programs other than the Medicaid waiver. Combined, this information should inform cost estimates for the six options.

Estimating the Medicaid waiver costs necessary for comparable care

1. What assumptions were used in the early 2012 budget estimates as to the number of residents who would move into the community, the number who would remain in the Training Centers (if any) and the average cost for care in the community?
2. How many people have left the Training Centers so far? How many moved to community placements, how many to community ICFs/IID, and how many to Nursing Facilities?
3. What has been the average per resident cost of those who moved into the community? Has it increased over time? If so, by how much?
4. What has been the inclusive average cost of all those who have left the Training Centers, taking into account the different residential decisions?

5. What additional costs do you anticipate from the new waiver that will provide more services for people with higher needs, such as those now in the Training Centers?
6. In light of experience, the likely cost of the new waiver, the degree of disability of the remaining residents, the decisions regarding placement in different residences (including remaining in a Training Center) and any other factors, how many residents do you assume will move into the community and what do you estimate the average cost will be for them? Taking into account the cost of other residential choices, what do you assume the inclusive average cost will be for all likely placement decisions?
7. What do you estimate will be the effect on the per resident cost of using the option assumptions that 50 percent and 75 percent of the residents will remain in Training Centers?
8. Has DBHDS done an analysis of the enhanced costs that providers may incur in order to comply with the CMS HSCB Final Rule? If so, what does it show?

Estimating the costs of waiver supports not covered by the Medicaid waiver

Some of the services Medicaid pays for in Training Centers are unbundled in the community and paid from different sources. Below is a partial list of such services. Will you please estimate their costs so the Work Group can understand the full cost of comparable care in the community?

1. Acute services/hospitalization/routine medical care. At the last Work Group meeting, DBHDS supplied a figure of $11,000 per person a year for the *average* per person cost for "acute care" for people on the ID waiver. As Training Center residents moving to the community will, on average, have much higher costs for medical services than the average person with an ID waiver, will you please include their higher cost in your estimate of acute services, hospitalization and routine medical care?
2. CSB costs. Please identify and include any costs the CSBs pick up.
3. Settlement Agreement quality improvement costs. Will you please identify and estimate the community costs of the collateral provisions of the Settlement Agreement for items that are now included in training center costs, such as crisis stabilization, DDHSN services and Quality Management requirements?
4. Day programs. The Medicaid waiver pays a lower rate than the Training Centers pay for the same day programs in the community. How will you account for the lower community rate for the same service in your estimate of the cost of comparable care in the community?
5. Room and board. The waiver does not pay for room and board and the amounts paid for by SSI and SSDI are far less than the cost of room in board in either a Training Center or a waiver home. Residential providers incur the differential. Does the State have a strategy to address this significant shortfall? Whether it does or not, how will you account for this unreimbursed cost?

Please identify and estimate the cost of any other such services.