



State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY
HOUSE FISCAL ADVISORY STAFF

February 5, 2013

Honorable Arthur J. Corvese
234 Lexington Avenue
North Providence, Rhode Island 02904

Dear Representative Corvese:

This is in response to your inquiry regarding the cost difference between the Rhode Island Community Living and Supports (RICLAS) system and the privately-operated community based program for adults with developmental disabilities.

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals supports two programs, the state-run RICLAS system and the community based privately-operated system, that provide residential, day programming, supported employment and family supports to approximately 4,200 adults with developmental disabilities.

The state-run system is a residential system that is staffed by state employees that receive the same cost-of-living adjustments and longevity pay as other state workers. There are currently 310 employees staffing 28 residences (including group homes or apartment settings) or are at one of the state's three special care facilities. As of June 30, 2012, there were 211 individuals receiving services through the state-run system, including 48 people living in the special care facilities. The individuals also participate in day program activities which appears as a cost to the state-run system. Over time, the state has transferred more of the caseload to the privately operated system. The current caseload is 34.9 percent, or 113 fewer, than the 324 individuals who were part of the state system in 2002. The Department has also downsized the number of facilities in the state-run system by closing 12 in the last several years to reach the current group home count of 31, including the three special care facilities.

The following table shows RICLAS spending from FY 2004 through the current year, the caseload and the annual cost per person. For FY 2013 that includes 211 individuals at \$160,384 a person. The system is supported by federal Medicaid funds matched with state resources.

FY	Total*	Caseload	Per Person
2013	\$ 32.5	211	\$ 160,384
2012	\$ 34.7	211	\$ 164,469
2011	\$ 33.8	221	\$ 153,250
2010	\$ 34.8	231	\$ 150,544
2009	\$ 39.4	245	\$ 160,695
2008	\$ 43.8	270	\$ 162,061
2007	\$ 44.4	287	\$ 154,583
2006	\$ 43.8	287	\$ 152,537
2005	\$ 43.3	298	\$ 145,458
2004	\$ 42.3	301	\$ 140,565
* millions			

As previously mentioned there are 48 residents in the state's three special care facilities who are more medically fragile and require more oversight than individuals in the group home or apartment settings. Those clients have a higher per person cost than the program average; their annual cost is approximately \$184,000. Excluding the cost for the 48 special needs residents in the FY 2013 revised budget, the average cost per person in the RICLAS system can be lowered to about \$137,000.

Individuals in the RICLAS system tend to be older and have more age-related medical needs than those in the private system, and this impacts the cost. Of the 211 residents, 168, or 79 percent, are over the age of 50 compared to the overall residential caseload where 47.8 percent of the individuals are 50 and older.

The state also provides services through the privately operated community based system. Community agencies under that system are paid a specific reimbursement rate based on the different services that are provided, including residential, day programs and supportive employment. These rates are not subject to any inflators or indexes, which is why any cost-of-living adjustment afforded to state employees are not automatically applied to those employed by the private community based providers.

There are approximately 4,000 individuals reported by the Department in the community based system; however only about 3,500 receive services. The remaining 500 individuals receive limited services from Department staff or have applied for and been approved for services but are not using them at this time.

For the 3,500 individuals in the community based system, about 2,300 are in a residential setting (a group home, an apartment or a less expensive shared living situation) and also attend day programs or have a supported employment plan.

The remaining 800 individuals live with their parents or in their own home and can receive limited home services, day or employment services or family respite. The annual cost for these 800 individuals is lower because they do not need residential services.

Similar to the comparison made in the state-run system without the 48 residents in the special needs facilities that lowers the cost per person, excluding the 500 individuals who receive case management but no direct services increases the annual cost in the privately operated system to \$65,838.

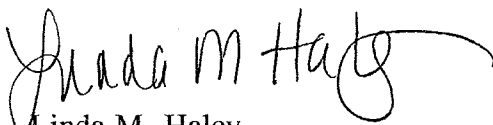
The following table shows caseload and spending for person in the privately operated system. Department staff is currently updating the information for FY 2012 and FY 2013. I can provide that to you as soon as it becomes available.

FY	Total*	Caseload	Per Person
2011	\$ 204.1	3,607	\$ 55,143
2010	\$ 200.7	3,589	\$ 56,061
2009	\$ 203.8	3,562	\$ 57,215
2008	\$ 208.2	3,539	\$ 58,830
2007	\$ 201.9	3,519	\$ 57,374
* millions			

By comparison, the annual per person cost in the privately-operated community based system is lower; however, there are circumstances specific to the state-run system that impacts the cost.

I hope you find this information useful. Please feel free to call me at 222-1164 if you have additional questions regarding this matter.

Sincerely,



Linda M. Haley
Principal Legislative Budget Analyst

cc: Honorable Helio Melo, Chairman, House Finance Committee
Sharon Reynolds Ferland, House Fiscal Advisor

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Executive Office of Health & Human Services

57 Howard Avenue, Cranston, RI 02920, (401) 462-5274, Fax: (401) 462-3677

March 8, 2013

Honorable Doc Corvese
 Deputy Majority Leader
 234 Lexington Ave.
 North Providence, RI 02904

Dear Representative Corvese,

Three major components of the overall cost of the Rhode Island Community Living and Supports program (**RICLAS**) are the Special Care Facilities (**SCF**), the age of the population, and **RICLAS**' function as the residential safety net for the developmental disabilities system. For reasons I will provide in the text of this correspondence, the financial cost of the **RICLAS** program is significantly higher per patient than the cost to private facilities that serve a different population of patients.

The **SCF**'s provide a higher level of nursing care than group homes and have two functions. Firstly, Special Care Facilities serve as a transition from hospital care back to a group home or apartment. **SCF**'s also serve as a home for individuals requiring a higher level of care, but who don't require a skilled nursing facility.

Each **RICLAS** Special Care Facility has 24 hour/7 days a week nursing staffing in addition to separate housekeeping and dietary staff. Many of the residents in the **SCF**'s require special diets and have specially prepared meals, and because the **SCF**'s are medical/nursing settings, a separate housekeeping staff is necessary. The residents of the **SCF** are also older than their counterparts living in group homes and apartments. Seventy four and a half (74.5) percent of **SCF** residents are in the 60 – 98 year old range.

Furthermore, **RICLAS** has an aging population. Only 48% of individuals who receive group home services from private developmental disability providers are over the age of 50. However, nearly 77% of individuals served at **RICLAS** are over the age of 50. These individuals have a greater potential for injuries resulting from falls and diminished mobility. Therefore, their assistance needs require special attention to staffing. Additional staff is required to provide assistance with mobility, toileting, and bathing as a result of the general aging process and the onset of other conditions such as dementia, stroke, etc. These supports are especially critical in the overnight hours to ensure the overall safety of residents. Our elder adults with intellectual and developmental disabilities, especially those with co-occurring behavioral disorders, stress staffing capabilities and budget management.

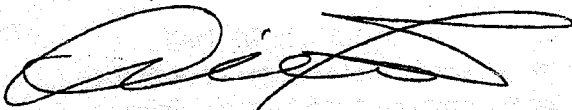
Moreover, **RICLAS** functions as the residential option of last resort, the safety net. In the first seven months of *FY 2013*, **RICLAS** accepted 9 emergency admissions and 5 high priority admissions of individuals who were no longer going to be able to stay in their residence. Reasons ranged from posing a danger to self or others, being at imminent risk of losing housing, or experiencing extended and unnecessary hospitalization.

The typical emergency admission is directed to **RICLAS** by *Adult Protective Services*, and the typical high priority admission may be someone who has been turned down by other residential providers. Individuals who are emergency admissions are often in crisis and require additional staffing before the individual can be stabilized to a point when staffing can be reduced. Emergency admissions tend to stay with **RICLAS** much longer than presumed at the time of admission.

It is for these reasons that the **RICLAS** program would cost more per patient. We are caring for the most vulnerable and our most fragile through this program. The challenges are legion. We do, however, appreciate your concern about this matter and welcome your insight into facing these challenges while ensuring that the neediest continue to get the care they deserve.

Please feel free to contact me at EOHHS, Director Stenning at BHDDH, and/or Secretary Costantino.

Very sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Cronan", with a stylized flourish at the end.

Michael S. Cronan

Implementation Director for Policy and Programs

EOHHS