

A Simple Process for Documenting CIL Deinstitutionalization Cost Savings

Centers for Independent Living (CILs) save millions of New York State taxpayer dollars each year as a result of their work to reduce and prevent institutionalization of people with disabilities. This is one of the best and clearest cases that CILs can present for the cost-effectiveness of their activities.

The ways in which CILs accomplish this are highly varied and individualized. Data-gathering, analysis and reporting on this aspect of CIL effectiveness could be a daunting task. However, such a process can be reduced to a manageable level for individual CILs, while still producing consistent, valid, and meaningful information that officials can use to provide more appropriate levels of funding to CILs. This document describes a process to do so.

Process Summary

The process is similar to that already used by the CILs to produce cost-benefit anecdotes for the Disability Action Agenda. This version, however, is highly standardized to reduce the amount of work involved, and more comprehensive in order to provide more valid data.

Each CIL records consumers whom it has assisted either to leave, or avoid being placed in, one of four general segregated institutional categories, and records which of three categories of community-based settings each such consumer now lives in. A formula uses this information to derive individual cost savings achieved for each consumer. The formula uses weighted and straight average costs that represent all types of NYS-funded integrated and segregated residential supports and services. The formula and cost figures may be provided either in a paper worksheet or computer software. CILs don't need to research or verify costs; they simply follow the worksheet or use the software to produce results for each consumer. The savings for all consumers recorded are totaled, and the particular CIL's basic annual NYS Independent Living appropriation amount is subtracted from the total. This gives the CIL's net deinstitutionalization savings. These are summed to obtain the total annual savings produced by all NYS CILs. This figure, not the individual CILs' net savings, is provided to decision-makers.

It is not feasible to fully document or calculate all the various individual costs and savings for each consumer. Instead, this process deliberately uses the lowest figures that can reliably and logically be applied to institutional costs, and the highest figures that can reliably and logically be applied to the costs of integrated supports. The results nearly always underestimate the savings CILs produce. The process is not intended to be strictly accurate on an individual basis. It does provide a consistent, valid, and rational estimate of minimum cost savings, for use by the people who make funding decisions.

The process provides an estimate of annual savings incurred only for the year in which a person is released from an institution or actively prevented from entering one. It does not take into account ongoing annual savings for people who remain out of institutions from year to year. That certainly is a valid and important aspect of the results CILs produce. However, documenting and reporting it would require far more effort. It is felt that simply reporting savings in the year when they first occur is sufficient to make the point to decision-makers. The same person may be counted more than once if he/she is at active risk of institutional placement, or actually released

from an institution, in more than one year. For more information, see the attached Definitions section.

VESID and representatives of NYSILC, AILCNY and COIL have jointly collected and evaluated the best available cost data on all of the various NYS-funded institutional and community-based programs serving people with disabilities. These data are used in the cost formulas. When it becomes necessary to update the data, VESID will provide modified worksheets (or, perhaps, a computer database) to CILs.

Process Details

Individual Consumer Data

Each consumer's data must be processed individually and uniquely identified to ensure unduplicated counts. For each consumer, the following items are recorded:

- ▶ Was a segregated/institutional placement terminated, or was it prevented?
- ▶ What general category of segregated/institutional setting?
 - Large State Institution (includes ICF-MR, developmental center, state psychiatric center)
 - Nursing Home (includes all care levels funded by DOH)
 - Developmental Disabilities IRA (non-individualized, 4 or more beds; see Definitions)
 - Mental Health Disabilities Group Home (includes Adult Care Homes and Supervised Community Residences)
- ▶ Which general integrated community-based setting category was chosen instead?
 - With Medicaid Waiver
 - Without Medicaid Waiver
 - Intensive Psychiatric Rehabilitation Services (IPRS)

The Formulas

Formula Summary

The process uses the following formula to determine annual savings for each individual:

$$(\text{total institutional category costs}) - (\text{total community-based category costs}) = \text{savings}$$

Once these individual savings are determined, those results are totaled and the CIL's current total NYS Independent Living funding appropriation is subtracted:

$$(\text{total individual savings}) - (\text{total NY IL appropriation}) = \text{total annual CIL savings}$$

ATTACHMENT 1: Formula Details

The following explains the general categories used in the formulas and what goes into them. These explanations are for informational purposes only. CILs will be provided with worksheets, similar to a simple income-tax form, that contain all the relevant amounts and calculations; only the Individual Consumer Data items described above, and a bit of simple arithmetic, will be required to complete them. VESID is also looking into the feasibility of providing funds for CILs to purchase or modify software for the purpose.

Integrated Community Supports

It is assumed that any person who is eligible for institutional placement will need quite a bit of support to live in the community. Although NYS has a long-term home health care waiver program and a rich Medicaid state plan, there are still many people with disabilities who are unable to live outside an institution without necessary supports and services. People with developmental disabilities or traumatic brain injuries may get these through a Medicaid Waiver. Persons served by the OMH system may receive intensive outpatient services. The cost differences for these three groups are substantial, so they must be counted separately.

Non-Waiver Integrated Community Supports

It is at least theoretically possible for persons in this category to also receive IPRS (see below). The individual consumer worksheet takes this possibility into account.

Homecare

In order to get the highest reasonable estimate of integrated support costs (which leads to a minimum cost savings estimate), it is assumed that any person with a disability who could have been institutionalized will need some form of personal assistance services to live in the community. For non-waiver consumers, this may be one of the following homecare options:

- Personal Care
- Long Term Home Health Care
- Certified Home Health Care
- Consumer Directed Personal Assistance
- Assisted Living

The figure used is a weighted average for annual individual homecare costs for all persons served by these programs in New York State. The formula for the weighted average is:

(total cost for all homecare programs / total people served) = weighted average

SSI

It is assumed that each person with a disability living in the community will receive the Level I NYS share of SSI funds. In reality, some will not, because they will be employed with incomes over the eligibility threshold. The decision to overestimate costs in these situations is deliberate, in order both to simplify the process and to produce a reliably conservative estimate of savings.

● *Current Actual Figures*

Weighted average annual homecare cost per person: \$12,710 (Year 2000 figures)

Annual Level I NYS share of SSI per person: \$1,044 (2002 figure)

Total annual integrated community support costs per person without waiver: \$13,754

Waiver Integrated Community Supports

Waiver funds are 50% federal dollars and the remainder is split between the counties and the state depending upon the program and the individual served. However, total waiver costs, including those for non-residential supports, are used. This guarantees that even the most severely-disabled individual waiver participants' actual New York State residential support costs will not be underestimated.

This category applies only to persons on waivers who are also not living in a group home such as a 4-bed (or larger) state- or voluntary-operated IRA. Group homes of whatever sort are deemed segregated institutional settings. However, one- or two-person IRAs are considered "supported living" and qualify as integrated community settings. This will result in some individual underestimates of community support costs, but at least currently, the number of people living in such arrangements is very small, and the overestimates for other consumers should compensate adequately.

HCBS Waiver Costs

Individuals who use HCBS waiver services only occasionally also use homecare. For those who use both, it is unlikely that the combined actual NYS cost would be higher than the average state/federal waiver-only figure used here.

A weighted average of annual individual HCBS waiver costs for persons on the OMRDD and DOH TBI waivers is used:

$(\text{total cost for all HCBS waiver programs} / \text{total people served}) = \text{weighted average}$

Housing Subsidy

HCBS waivers do not cover housing costs, but TBI waiver participants can access an additional pool of housing subsidy funds.

A weighted proportion of the average NYC housing subsidy amount (currently \$5,000) is applied, reflecting the fact that only one percent of waiver participants currently are on the TBI waiver:

$(\text{avg. subsidy}) * (\text{TBI waiver consumers} / \text{all waiver consumers}) = \text{proportional subsidy}$

SSI

It is assumed that any waiver recipient also receives the Level I NYS share of SSI funds.

- *Current Actual Figures*

Weighted average annual waiver service cost per person: \$63,650 (2000 figures)
Proportional average annual housing subsidy cost per person: \$50 (2002 figure)
Annual Level I NYS share of SSI per person: \$1,044 (2002 figure)
Total annual integrated community support cost per person with waiver: \$64,744

Intensive Psychiatric Rehabilitation Services (IPRS)

It is at least theoretically possible for people in this category to also receive Non-Waiver Integrated Community Supports (see above). The individual consumer worksheet takes this possibility into account.

IPRS

This option may or may not be used by persons released from OMH facilities. The figure used is the actual rate paid by OMH.

SSI

It is assumed that any IPRS recipient also receives the Level I NYS share of SSI funds, though some will not because they will be employed with incomes above the eligibility threshold.

- *Current Actual Figures*

Annual IPRS cost per person: \$7,800 (2002 figure)
Annual Level I NYS share of SSI per person: \$1,044 (2002 figure)
Total annual Intensive Psychiatric Rehabilitation Services cost per person: \$8,844

Segregated/Institutional Settings

New York State has a variety of institutional settings. For ease of use, settings of similar types have been combined into larger categories and their costs averaged. The figures used resulted from several months' investigation and are the best currently available.

Large State Institution

All residents of NYS-operated or –funded institutions and congregate living facilities for people with developmental or mental health disabilities receive Level II SSI funding as a form of housing support. 45% of this is New York State dollars.

The formula for calculating the average Large State Institution (LSI) cost per person is:

$$((\text{ICF/DC cost} + \text{psych center cost}) / 2) + (\text{NYS share of Level II SSI}) = \text{LSI cost}$$

- *Current Actual Figures*

Average annual ICF-MR/developmental center cost per person: \$198,000 (1999 figure)
Average annual state psychiatric center cost per person: \$208,700 (2002 figure)
Annual Level II NYS share of SSI per person: \$5,211 (2002 figure)
Straight average annual large state institution cost per person: \$235,561

Nursing Home

Technically, all nursing homes in New York State are “Skilled Nursing Facilities”; we are using the more commonly-known term “nursing home” to refer to them. Different facilities offer differing levels and types of service. We refer to these as “care levels”.

- *Current Actual Figures*

(Note: All costs for nursing home care levels are for 2000 and provided by Broome County CASA. These are actual annual per person rates paid by DOH. No source could provide the number of people using each type, but DOH provided a weighted average cost for 1999.)

General/Geriatric: \$63,875
General/Geriatric NYC: \$75,205
Neurobehavioral: \$135,050
Pediatric: \$154,760
TBI: \$158,045
AIDS: \$168,630
Ventilator Dependent: \$181,770

Weighted average annual nursing home cost per person: \$78,110 (1999 figure, per DOH)

Developmental Disabilities IRA

IRA

This includes only IRAs with 4 or more beds under most circumstances (see Definitions).

SSI

All IRA residents receive Level II SSI.

Waiver Costs

The vast majority of people with developmental disabilities living in Individual Residential Alternatives (IRAs) are also on the OMRDD HCBS waiver.

- *Current Actual Figures*

Average annual IRA cost per person: \$65,257 (1999 figures)
Average annual OMRDD HCBS waiver cost per person: \$63,672 (2000 figure)
Annual Level II NYS share of SSI per person: \$5,211 (2002 figure)
Total average annual IRA cost per person: \$134,140

Mental Health Disabilities Group Home

Group Homes

These figures are not directly comparable to an OMRDD IRA cost figure. OMH includes residential services (such as onsite medication and therapies) in the Adult Home cost center, but does not do so for Supervised Community Residences. OMH also does not fund any services for adults with Medicaid waivers. Thus, the average annual per-person cost for this category is known to be significantly underestimated for Supervised Community Residences.

SSI

All residents of OMH facilities also receive Level II SSI.

● *Current Actual Figures*

Average annual Adult Home cost per person (includes room & board); \$37,220 (2002 figure)

Average annual Supervised Community Residence cost per person: \$37,580 (2002 figure)

Annual Level II NYS share of SSI per person: \$5,211 (2002 figure)

Straight average annual OMH Group Home cost per person: \$42,611

ATTACHMENT 2: Definitions

Prevention of Institutionalization

A person is prevented from being institutionalized if a specific institutional placement (as defined under Segregated Institutional Settings, below) was being considered within the past 12 months, and without the CIL's assistance, the person would have been placed. Prevention has not occurred if: the person would have remained in the community without the CIL's assistance, or if no specific institutional placement was under active consideration.

Example: Ongoing peer counseling at a CIL does not result in prevention unless the consumer was planning or expecting to enter a specific institution within the previous 12 months.

Example: A family or spouse approaches the CIL in the belief that an institutional placement is the only option for their relative with a disability, and as a result of information provided by the CIL, the family chooses an integrated community-based alternative, and does not institutionalize the relative.

Example: A hospital was planning to discharge someone to a nursing home, but as a result of information or assistance provided by a CIL, the person was discharged to an integrated community-based alternative.

Deinstitutionalization

A person who was living in one of several segregated institutional settings listed below was assisted by a CIL to move to one of the integrated community-based residential settings listed below within the previous 12 months. The move must have been actually completed, not just planned or in process.

Segregated Institutional Settings

Institutional settings include: ICF-MR; developmental center; state psychiatric center; any type of nursing home; OMRDD-funded or operated Individual Residential Alternative (IRA) with 4 or more beds (4 unrelated adults living together is "natural" only for college students; this does not meet the test for a real permanent integrated residence); OMH- operated or -funded Adult Care Home or Supervised Community Residence; or any other type of group home setting exclusively for people with disabilities.

Integrated Community-Based Settings

Integrated community-based settings include: The individual's own or rented and/or subsidized home or apartment; living at home with family members; a foster family with only one placed resident; supported living or supervised apartment (includes a 1-person IRA, and may include a 2- or 3-person IRA if the consumers freely chose their roommates and have substantial control or oversight over its operation); any other cooperative setting involving a few freely-associating housemates who control all aspects of the living situation.

ATTACHMENT 3: Forms

**CIL Deinstitutionalization Cost Savings
Individual Consumer Worksheet**

Fiscal Year _____

First Name _____ Middle Initial _____ Last Name _____

1. This segregated/institutional placement was:

- _____ A. Prevented
- _____ B. Terminated

2. Which general category of segregated/institutional setting was terminated or prevented? (Choose only one.)

- _____ A. Large State Institution (includes ICF-MR, developmental center, state psychiatric center) \$235,561
- _____ B. Nursing Home (includes all care levels funded by DOH) \$ 78,110
- _____ C. Developmental Disabilities IRA (non-individualized, 4 or more beds; see Definitions) \$134,140
- _____ D. Mental Health Disabilities Group Home (includes Adult Care Homes and Supervised Community Residences) \$ 42,611

Enter the amount chosen above on Line 2e.

Total Segregated/Institutional Cost **2e** _____

3. Which general integrated community-based setting category was chosen instead? (Choose EITHER A OR B, and/or C.)

- _____ A. With Medicaid Waiver \$ 64,744
- _____ B. Without Medicaid Waiver \$ 13,754
- _____ C. IPRS \$ 8,844

Add the amounts chosen above and enter the total on Line 3d.

Total Integrated Community-Based Cost **3d** _____

Subtract Line 3d from Line 2e and enter the result on Line 4a.

4. Total Individual Savings for this Consumer **4a** _____

ATTACHMENT 3: Forms

**CIL Deinstitutionalization Cost Savings
Report Summary**

CIL Name _____ Fiscal Year _____

Total Institutional Preventions: _____
(Sum of Line 1a)

Total Institutional Terminations: _____
(Sum of Line 1b)

Total Deinstitutionalization Savings: \$ _____
(Sum of Line 4a)