

## Nonviability of Six-Bed ICF Model

Disability Advocacy Alliance (DAA) is concerned that the Department of Developmental Disabilities (DODD) is imposing an unsustainable financial model on Intermediate Care Facility (ICF) providers.

Benchmarks in Ohio Revised Code and DODD development mandates are forcing large ICFs to downsize by building small six bed facilities away from their core campus. Doing so puts the health and safety of residents with complex needs at great risk as specialized staff such as a licensed nurse are far too costly to have on site full time with only a handful of residents. Even with fewer staff, six bed facilities are not financially sustainable. Here are the numbers:

Facility Size	Total Per Diem Cost	Weighted Avg of Accuity Level	Avg Total Cost Adjusted for Accuity Level
50+ beds	\$313.71	1.8176	\$172.60
16-49 beds	\$292.46	1.7331	\$168.75
9-15 beds	\$299.56	1.7073	\$175.46
7-8 beds	\$285.07	1.6811	\$169.57
6 beds or less	\$301.59	1.6668	\$180.94

Looking at Total Per Diem Cost, six-bed facilities appear to be the most inexpensive sites to run, but per diem costs do not take into account the accuity level of residents served in each setting size.

A glance at the Weighted Average of Accuity Levels in each size category reveals that the larger the facility, the higher the accuity level of residents. Large ICFs serve individuals with the most complex needs, and therefore, will have a higher per diem cost. Once total per diem cost is adjusted for accuity level, the six bed model becomes the most costly at \$180.94 per day vs. \$172.60 per day in a large ICF. Attempting to serve residents with complex needs in a six bed setting would increase this cost disparity.

ICF costs are reimbursed up to a ceiling. Expenditures over the ceilings are absorbed by the ICF. A six bed ICF is an unsustainable financial model because average direct and indirect costs are over the ceilings as demonstrated below.

Facility Size	Avg Direct Cost Adj for Accuity	Avg Indirect Cost Adj for Accuity	Direct Cost Ceiling	Indirect Cost Ceiling	Over/ (Under) Direct Cost Ceiling	Over/ (Under) Indirect Cost Ceiling
50+ beds	\$108.71	\$68.29	\$113.59	\$68.98	-\$4.88	-\$0.69
16-49 beds	\$101.63	\$71.35	\$113.59	\$68.98	-\$11.96	\$2.37
9-15 beds	\$112.87	\$66.97	\$113.59	\$68.98	-\$0.72	-\$2.01
7-8 beds	\$109.64	\$59.52	\$117.66	\$59.60	-\$8.02	-\$0.08
6 beds or less	\$118.66	\$64.84	\$117.66	\$59.60	\$1.00	\$5.24

(Findings and data in tables taken from an analysis done by Gary Brown, CPA, Director, Brady Ware & Company Data as of Calendar Year 2013.)

**In summary, DODD's development mandates fail to protect health and safety and impose an unsustainable financial model on the residential settings of Ohio's most vulnerable citizens.**

Family members and guardians of ICF residents make residential placement decisions based on the **long-term** health and welfare of their loved ones. Once DODD's benchmarks are fulfilled, what will happen to our family members who have been transferred to six bed ICFs? If the ICF provider cannot sustain these settings, where will residents go next? Will our loved ones be converted to waivers by default and without our consent?

**We urge the Ohio Senate to protect our most vulnerable citizens:**

- **Please remove benchmarks which reduce ICF system capacity by converting beds to waivers and downsizing large ICFs to small, risky settings.**
- **Allow ICFs to build additional living space on or adjacent to their campuses.**

These amendments allow for proper supervision of new settings, ready access to specialized staff and an economically sound financial model based on the economies of scale of large ICFs.