

Intermediate Care Facility Homes Financially Benefit the Ohio Waiver System

The DODD Strategic Planning Leadership Group has proposed to reduce the number of Intermediate Care Facility (ICF) beds in Ohio by 50 percent over the next ten years. Eliminating this safe, compassionate, and cost-effective form of care is a dangerous, poorly thought-out plan which puts intellectually and developmentally disabled citizens at risk while cutting off an important funding source for waiver recipients.

ICF homes provide **\$65 million** in financial benefits to the State of Ohio which benefit waiver recipients:

Benefit #1: *ICF Homes generate \$39,129,080 per year in revenue from the Bed Tax. These dollars are directed into the waiver system where they fund services for the developmentally disabled.*

How does DODD propose for the State of Ohio to replace this \$40 million in waiver funding for the disabled citizens who directly benefit from it? Reality: Services for current waiver recipients would be put at risk.

Exhibit 1: Bed Tax Analysis

Bed tax per bed per day (FY 2015)	\$18.17
Estimated federal financial participation rate (FFP)	63%
Matching funds generated per bed per year	\$4,178.19
Lost revenue from 500 ICF bed conversions (2014-15 biennium budget)	(\$2,089,096)
Matching funds produced by 5,900 ICF beds	\$24,651,321
Total waiver service funded by bed tax on 5,900 beds after FFP applied	\$39,129,080

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

Benefit #2: *Room & board for ICF residents is largely paid with federal funds totaling \$25,370,413 per year relieving the State of Ohio of this cost.*

How does DODD propose for the State of Ohio to cover the \$25 million in federal funding for room and board for ICF residents once these individuals are moved into the waiver system under an ICF downsizing plan? Reality: Waiver benefits for current recipients and individuals waiting for services would come under even greater financial pressure.

Exhibit 2: Room and Board Analysis

Average ICF bed room & board cost per day (CY 2012)	\$45.00
Estimated average patient liability per day	(\$26.30)
Estimated federal financial participation rate (FFP)	63%
Federal funds received per bed per year	\$4,300.07
Lost revenue from 500 ICF bed conversions (2014-15 biennium budget)	(\$2,150,035)
Federal revenue received for room & board for 5,900 ICF beds	\$25,370,413

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

ICF Homes Provide Safe, Compassionate, Cost-Effective Care

Intermediate Care Facility (ICF) Homes are the most safe, compassionate, and cost-effective way to care for individuals with severe developmental disabilities. When individuals with complex needs choose to live under one roof in larger numbers, efficiencies are gained which enable more people to receive the care they need for less cost.

Skilled nursing, personal care services, physical and occupational therapists, behavior support staff, transportation, and room & board can be shared by the residents in one location. Continuity of care is maintained and safety enhanced.

Likewise, the extensive amounts of specialized equipment: medical, specially adapted personal care equipment, and therapy equipment can often be shared by residents and can be obtained at lower costs. If ICF residents with complex needs were transferred to waiver settings, the cost to the taxpayer would be much greater as demonstrated in Exhibit 3.

Director John Martin, Department of Developmental Disabilities, stated at a November 19, 2014 ARC Conference that a community setting is a more expensive way of caring for citizens with complex needs than an ICF Home.

Exhibit 3: Cost of Care - ICFs and Individual Option (IO) Waivers

The charts depict an “apples to apples” cost comparison between ICF Homes and IO Waivers by subtracting from the ICF total average cost, the cost of services not covered by the IO Waiver such as skilled nursing and room and board. The charts demonstrate that services under the ICF Home model are provided at a lower cost than the similar set of services under an IO Waiver. If ICF residents are moved into an IO Waiver setting, the cost difference would increase dramatically due to the lack of efficiencies in the waiver setting.

ICF Home Average Cost Per Year Per Individual All Inclusive Model	
ICF avg total cost	\$106,005
<i>Less room & board</i>	(\$18,733)
<i>Less skilled nursing</i>	(\$10,021)
<i>Less bed tax & other non-covered waiver services</i>	(\$9,124)
ICF total avg cost <i>excluding non-covered waiver services</i>	\$68,127

IO Waiver Average Cost Per Year Per Individual Separately Contracted Services	
Personal care	\$47,748
Community transportation	\$614
Day services	\$10,478
Day service transportation	\$5,745
Case management	\$6,086
Other waiver services	\$386
IO Waiver total avg cost	\$71,057

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

The Truth About Community Access

Through the threat of a lawsuit, Disability Rights Ohio (DRO) is pressuring the Department of Developmental Disabilities to eliminate ICF Homes in Ohio claiming that ICF residents are segregated from the community. The average IO Waiver recipient receives only an average of \$614 per year in community transportation (i.e. medical visits, shopping, recreation) at .45¢ per mile - approximately 3.5 miles of transportation per day. Most ICF residents require a wheelchair accessible vehicle increasing the cost of transportation to at least \$1.50 per mile - **only about 1.12 miles of transportation per day.**

How does DRO propose for the State of Ohio to offer full accessibility to the community for a wheelchair bound individual at only \$614 per year? The reality: ICF residents would face **isolation** under the so called “community-based” model. This would mean a drastic and detrimental change for ICF residents who currently enjoy daily access to their communities through day services and schools as well as through frequent personal and recreational outings arranged by caring staff at ICF homes.