

Efficiencies in Government in Kentucky's Public ICF/MR Program

Proposed by The Arc of Kentucky



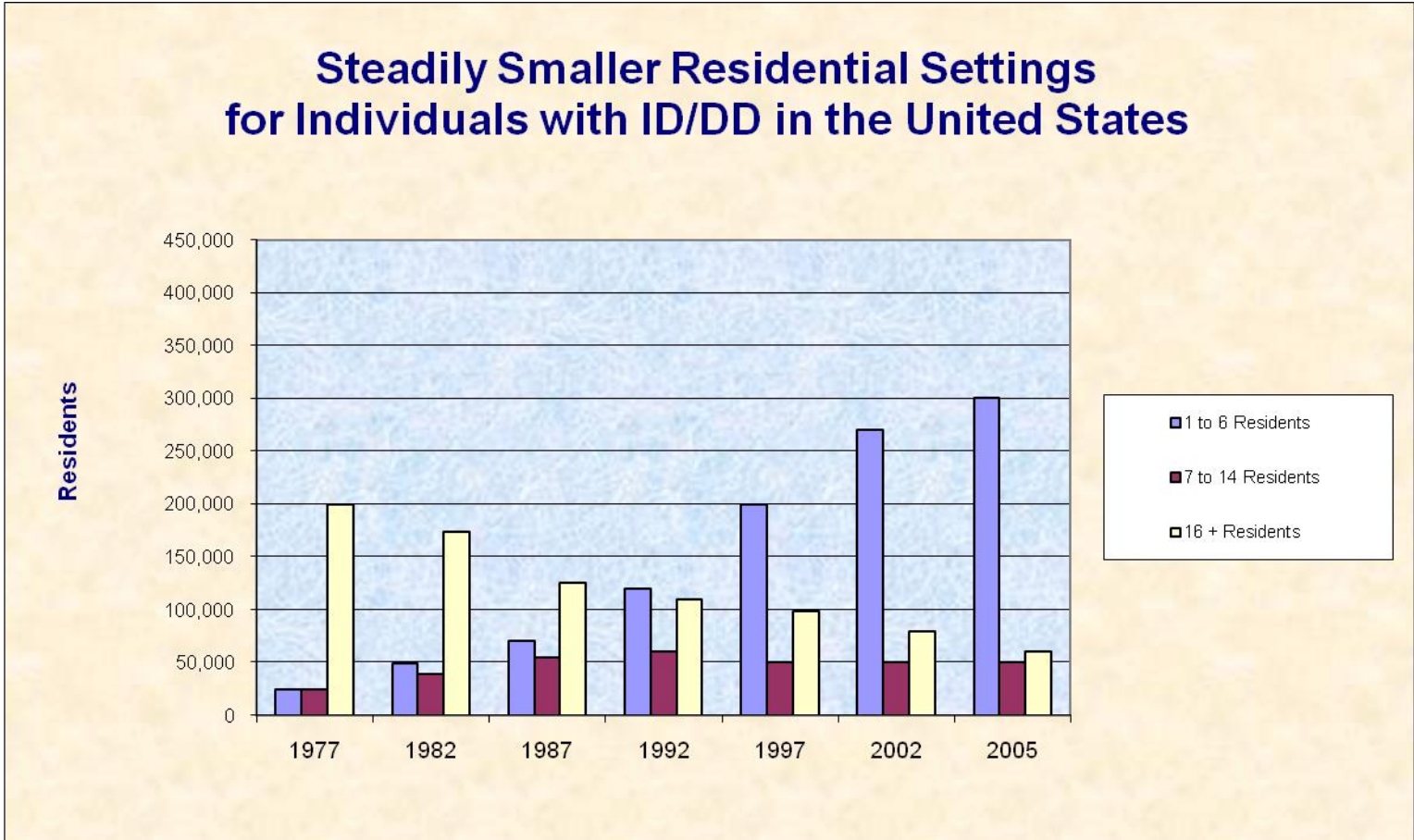
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Steadily Smaller Residential Settings for Individuals with ID/DD in the United States



Source: *Status and Trends Through 2005*. University of Minnesota, Research and Training Center on Community Living, Institute on Community Integration

Kentucky Public Intermediate Care Facility (ICF) Census and Cost

State ICF	Census*	Direct Facility Expense* Per Person Average	Direct Facility Expenses*
Oakwood**	239	\$316,074	\$75,541,738
Outwood	68	\$100,316	\$ 6,821,526
Hazelwood	144	\$268,771	\$38,703,057
Meadows	8	\$151,710	\$ 1,213,683
Windsong	8	\$162,465	\$ 1,299,727
Del Maria	8	\$145,490	\$ 1,163,927
Central State	35	\$279,811	\$ 9,793,403
TOTALS	510 People	\$263,798 Avg.	\$134,537,061

* Source: SFY 2006-07 Data from the Kentucky Department of Mental Health and Mental Retardation

** Facility on the federal Centers for Medicare and Medicaid Services (CMS) "decertification track" for not meeting minimal ICF standards.

Oakwood Intermediate Care Facility for Persons with Mental Retardation (ICF/MR) is on the federal Centers for Medicare and Medicaid Services (CMS) “decertification track” for not meeting minimal ICF standards.

This means that if the institution does not meet federal standards for care, it is at risk of losing its 70 percent federal match. The effect is that the facility would have to be run with 100% state dollars.

The federal match for Oakwood is \$52,879,216.

Federal Money Follows the Person (MFP) Grant

Kentucky applied for and received a \$50,000,000 Money Follows the Person (MFP) five year grant from the federal Centers for Medicare and Medicaid Services (CMS). This grant originated in the federal Deficit Reduction Act (DRA). Its goal is to rebalance state Medicaid expenditures from institutional settings to less costly community services.

CMS is encouraging states to rebalance their systems for people with disabilities because they have found that community services are a less costly option and have demonstrably better outcomes.

Furthermore, federal and state governments across the nation are facing Medicaid deficits, including Kentucky, and are searching for ways to cut costs.

In the first year of an individual's transition from a state ICF to the community, 100 percent of the community service cost is covered by the federal grant. Translation -- the first year is FREE to the state. In the second and subsequent years, it reverts back to the 70-30 federal match but Kentucky's community services are less costly than its public ICFs.

The annual average public ICF cost per person is over \$263,000. For each person moved out, the state saves \$263,000 per person in the first year and on average, about \$100,000/person in the subsequent years.

One Example of Cost Savings Using MFP Grant:

Oakwood Intermediate Care Facility for Persons with Mental Retardation (ICF/MR) SFY 2006-07

<i>Residents:</i>	239
<i>Direct Facility Expense Per Person Annual Average:</i>	\$ 316,074
<i>Total Direct Facility Expenses:</i>	\$75,541,738

Example Using Money Follows the Person \$50,000,000 Grant from the Federal Centers for Medicare and Medicaid Services

<i>Residents:</i>	25*
<i>Direct Facility Savings Per Person First Year:</i>	\$ 316,074
<i>Total Direct Facility Expenses Saved First Year:</i>	\$ 7,901,850

Fifty-two of the residents at Oakwood have public guardians. This means that the State of Kentucky is the legal guardian and could facilitate their transition to community services.

*** This represents one residential unit at the facility; there are about 10 residential units in operation.**

Kentucky Comparison of Cost and Numbers Served in Public Intermediate Care Facilities (ICFs) vs. Cost and Numbers Served in Supports for Community Living (SCL)

Public ICFs:

Persons Served: 510
Total Cost: \$134,567,061

Supports for Community Living:

Persons Served: 2,863
Total Cost: \$168,917,000

For nearly 3,000 people we spend \$168 million; we serve 510 people for \$134 million. For the \$134 million spent in the ICFs, more than four times as many people (N=2,280) could be served in the community at the SCL average of \$59,000/person.

Wait List: 2,745 People*

***Nearly as many people on the wait list for community services as those being served (N=2,863) in the SCL Program**

SOURCE: Kentucky Department of Mental Health and Mental Retardation

Annual Public ICF Average Per Person = \$263,798*

***For this amount of money we could put each person who lives in the public ICFs in a private room at the Hyatt Hotel in downtown Lexington @ \$230/night including meals or \$83,950/year. They could eat well use the health club and other hotel amenities. The remaining \$179,848 would purchase the highest quality support services, medical, dental and other clinical services, and season tickets to the Cats games.**

SOURCE: Kentucky Department of Mental Health and Mental Retardation

We cannot accept the excuse that there is no “community infrastructure.” This was the excuse in Pennsylvania during the Pennhurst closure (1970s-80s) and it was the excuse in Oklahoma during the Hissom closure (1990s). But in both cases everyone moved to the community in small homes of 3 people or fewer no matter how severe their disability, health issues or reputations. Both of these closures were extremely successful because people were moved from the state centers one person at a time. Their community services were person-centered, individualized and community inclusive.

There are no valid reasons to continue waiting!