



# PROJECTED COST SAVINGS WORKGROUP

## INSTITUTIONAL VS. COMMUNITY BASED CARE

### Commission on Nonprofit Health and Human Services

**DRAFT**

Preliminary Report  
December 13, 2010

#### OBJECTIVES

According to Special Act No. 10-5, the Commission shall analyze the funding provided to nonprofit providers of health and human services under purchase of service contracts. As part of this analysis, the Workgroup has been charged to provide the following:

- 1) a projection of cost savings that may be achieved by serving individuals who are recipients of benefits under health and human services programs in their communities rather than in institutions
- 2) the projected costs associated with the provision of services by private providers under health and human services programs through December 31, 2014.

#### MEMBERSHIP

The Workgroup is comprised of the following members appointed by the Commission Co-chairs and the Workgroup Co-chairs:

Barry Kasdan (Chair)	Michael Purcaro – DPH (Chair)
Pamela Fields – (Kasdan Choice)	Peter Mason – DDS (Purcaro Choice)
Melanie Sparks – DOC (Purcaro Choice)	Heather Gates – (Kasdan Choice)
Claudette Beaulieu – DSS	Donna Grant
Lisa Mazzeo	David Pickus
Jessica Sacilowski	

In addition, Pete Gioa, Vice President and Economist of CBIA was invited by the Workgroup and agreed to serve in an advisory role. The Workgroup has also benefited from the regular participation of Terry Edelstein, President and CEO of Community Providers Association and Julia Wilcox, Senior Public Policy Specialist with the Connecticut Association of Nonprofits.

## MEETINGS

To date, the Workgroup has held four (4) scheduled meetings. In addition, the Workgroup facilitated a meeting of state agency finance officers to discuss available data sources for collection, analysis and reporting purposes.

## ACCOMPLISHMENTS

The Workgroup discussed setting manageable and attainable goals within the Commission's time frame. To this end, the Workgroup agreed to look at qualitative and cost variables from an institution vs. community perspective. Four health and human service areas were selected for comparison: mental health, substance abuse, supported living and primary healthcare. The Workgroup agreed to establish a common reporting platform/template for collecting and comparing the requested data across agencies. This template included references to data sources and detailed back-up information to support any data reported. Aggregate cost data was requested from DMHAS, DCF, DDS, DPH, DOC, and DSS for both the state government and the non-profit sector through the grant information and fiscal reporting that the agencies have through POS contracts with private providers. A copy of the summary reporting template distributed to the workgroup for completion is provided below.

PROJECTED COST SAVINGS WORKGROUP													
FISCAL DATA SUMMARY TEMPLATE													
Description of Data	Data											Source of Data	Additional Considerations
	Institution			Residential			NonResidential						
	Total	P/IM Annual	P/IM, Daily	Total	P/IM Annual	P/IM, Daily	Total	P/IM Annual	P/IM, Daily				
Mental Health													
Substance Abuse													
Supported Living													
Healthcare													

To further enhance the data collection process, the Workgroup facilitated, with the Commission's approval, a meeting of fiscal officers from the state agencies referenced above. The Workgroup began analyzing the aggregate data as it became available. As a result and in the interest of ensuring the highest degree of comparability of data between state agencies that would result in the most relevant and meaningful recommendations to the Commission, the Workgroup decided to narrow its field of evaluation by prioritizing the collection and analysis of data to DMHAS, DCF and DSS. To standardize the collection of detailed back-up data for reporting purposes, a spreadsheet was discussed at the agency fiscal officers meeting. This spreadsheet has been created and distributed to the above agencies for completion with a return date of no-later-than December 21, 2010. A copy of this spreadsheet is provided below.

**PROJECTED COST SAVINGS WORKGROUP**  
**DETAILED FISCAL DATA SPREADSHEET**

	Private Hospital	Private Residential	Group Home	At Home Services
Average Census				
Total Days of Care				
Personal Services				
Admin				
Food Service				
Maintenance				
Clinical/ Medical				
Care and Custody				
Education				
Other Expenses				
Admin				
Food Service				
Maintenance				
Clinical/ Medical				
Care and Custody				
Education				
Workers' Compensation				
Total Cost				
Cost per day				
Annualized				
Fringe benefits (OSC)				
<b>Grand Total Cost</b>				
Total Cost per day				
Annualized				
Other Agency allocations				
Payments in Lieu of Taxes				
Tuition Reimbursement				
Other Agency Equipment Depreciation				
Comptroller Adjustment				
<b>SWCAP Total</b>				
Equipment Depreciation				
Building Depreciation				
Central Office Allocation (less WC above)				
Bond Interest				

Payroll costs				
Other				
Adjustments (Dept ID corrections etc)				
Misc. Revenue				
<b>Comptroller Adjustments to Costs</b>				
Total Cost				
Comptroller Adjustments to Costs				
<b>Comptrollers Actual In-patient Costs</b>				
Prior period adj				
<b>Adj Actual per Comptroller's</b>				
Actual In-patient days				
Comptrollers rate for year				
<b>Projected Costs</b>				
Recovery amount (adj actual minus proj costs)				
Comptrollers Actual In-patient Costs				
Inflation Factor				
Inflation Amount				
Comptrollers Actual In-patient Costs				
Inflation Amount				
Recovery amount				
<b>Projected Cost for the Next Year</b>				
Actual In-patient days				
Per capita rate for the Next Year (Proj next year costs divided by current yr inpatient days)				

In addition, the Workgroup is compiling data provided by OPM and OFA to project costs associated with the provision of services by private providers under state health and human services programs.

#### NEXT STEPS

Receive and analyze spreadsheet data from state agencies, report on the findings and offer recommendations to be reviewed by the full Commission.