



Interim Human Services Committee | Representative Matthew Ruby, Chair
Intermediate Care Facilities Rate Study

Tina Bay, Developmental Disabilities Director

December 18, 2023



Health & Human Services

Intermediate Care Facilities – Rate Information



- All-inclusive daily rate
- Costs included:
 - Room
 - Board
 - Day programing (day habilitation, employment)
 - Staff time to provide supervision and habilitative care
 - NOTE – rate does NOT include direct health-related costs (i.e. dental, pharmacy)
- At the completion of the state fiscal year, ICF/ID providers are required to complete a statement of cost to determine the Upper Payment Limitation as required by Social Security Act section 1902(a)(30)(A).

Intermediate Care Facilities – Rate Components

The ICF/ID rate includes the following components:

- Direct care staff wage
- Employment related expenditures
- Relief staff
- Program support expenditures
- Room & board
- General & administrative
- Vacancy Factor

Property Add-On

- Available for facilities newly acquired or built after January 1, 2010.
- Calculation will remove 1.9% from the rate and the actual allowable expense for depreciation and interest will be calculated into the rate.

Medically involved or intensive Add-On

- Provides additional funding in the program support component to meet the medical support needs of qualifying individuals.

Non-school days Add-On

- Available for individuals that are between the ages of 16-21
- Accounts for the additional support providers are responsible for during school holidays and summer hours.

Establishing ICF/ID Rate - Multi-Step Process

Assessment

- Standardized assessment completed by 3rd party vendor (SIS/ICAP)

Authorized Hours

- Assessment score converted to avg support service hours/month
- Convert hours/month to hours/day

Calculated Rate

- Multiply hours per day by the established rate (i.e., rate matrix) = daily rate for person supported



Intermediate Care Facilities – Rate Examples

6 Bed Community ICF			
	Daily Rate	Annual amount	Assessment Type
Client 1	\$940.65	\$343,337.25	ICAP
Client 2	\$1,007.73	\$367,821.45	ICAP
Client 3	\$807.21	\$294,631.65	SIS
Client 4	\$1,024.50	\$373,942.50	ICAP
Client 5	\$898.49	\$327,948.85	ICAP
Client 6	\$889.87	\$324,802.55	ICAP
Total Reimbursement	\$5,568.45	\$2,032,484.25	

North Dakota rates are individualized and based on the assessed need of the person receiving services.

In a sample of 6 ICF providers, individual client rates ranged from \$342.95 to \$1,810.07 daily.

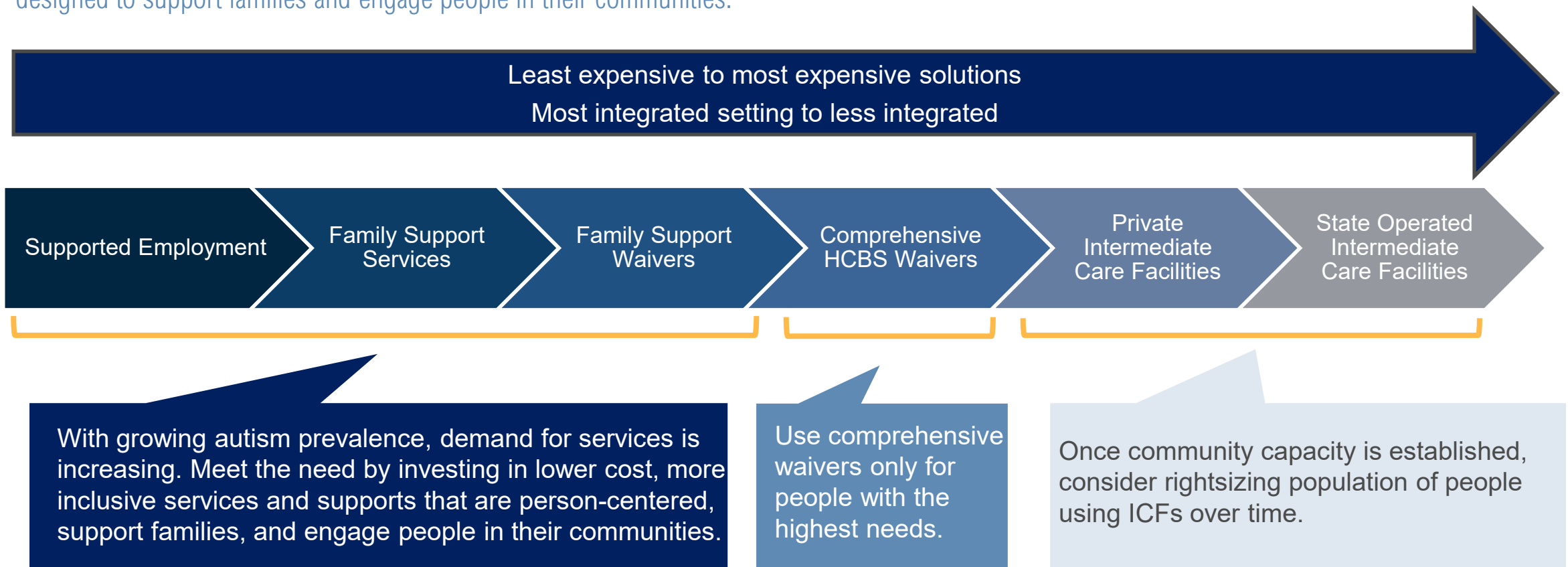
6 Bed Community ICF			
	Daily Rate	Annual amount	Assessment Type
Client 1	\$612.61	\$223,602.65	SIS
Client 2	\$639.87	\$233,552.55	SIS
Client 3	\$656.11	\$239,480.15	SIS
Client 4	\$691.26	\$252,309.90	SIS
Client 5	\$623.62	\$227,621.30	SIS
Client 6	\$661.65	\$241,502.25	SIS
Total Reimbursement	\$3,885.12	\$1,418,068.80	

North Dakota DD Services – Gap Analysis

- As a result of SB 2256 (2021), Alvarez and Marsal (A&M) conducted a gap analysis which included exploring ND's current services and outlining gaps in access; researched and analyzed peer states; and identified promising approaches to modify or expand programs to address the gaps.
- The following slides are from the final report prepared by A&M.

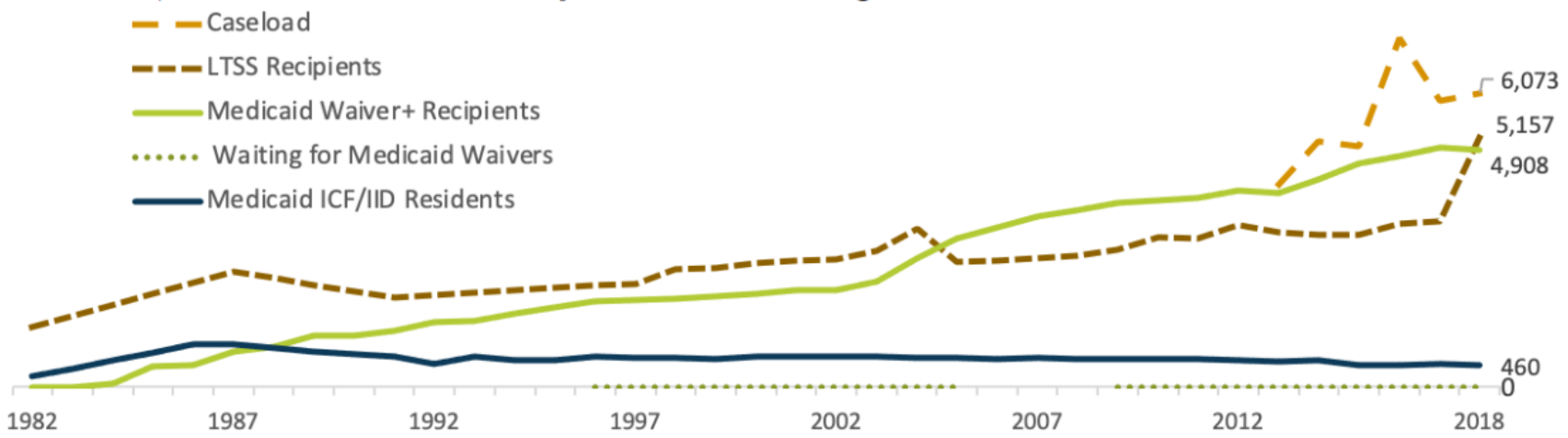
Reducing Costs Over Time

The North Dakota DD System is already lean. Efficiency can be achieved by reducing reliance on Intermediate Care Facilities, the most expensive types of supports. Doing that in a way that is person-centered and not disruptive to people and families takes time. Begin by offering lower cost supports designed to support families and engage people in their communities.



North Dakota Residential Information Systems Project (RISP) State Profile

Caseload, LTSS and Medicaid Recipients and Waiting for Waivers* 1982-2018



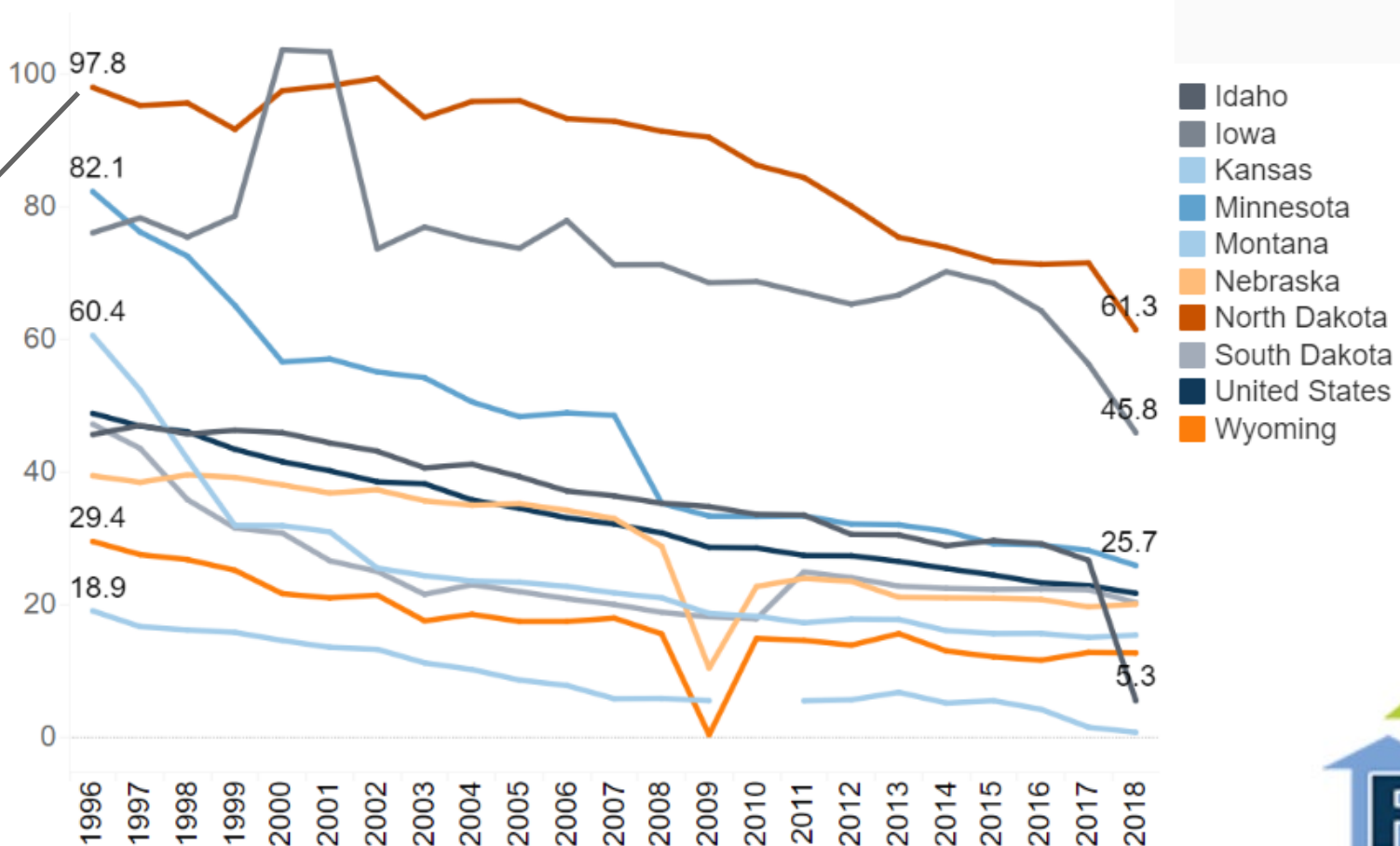
Average Spending Per Person by Medicaid Authority in Fiscal Year 2018



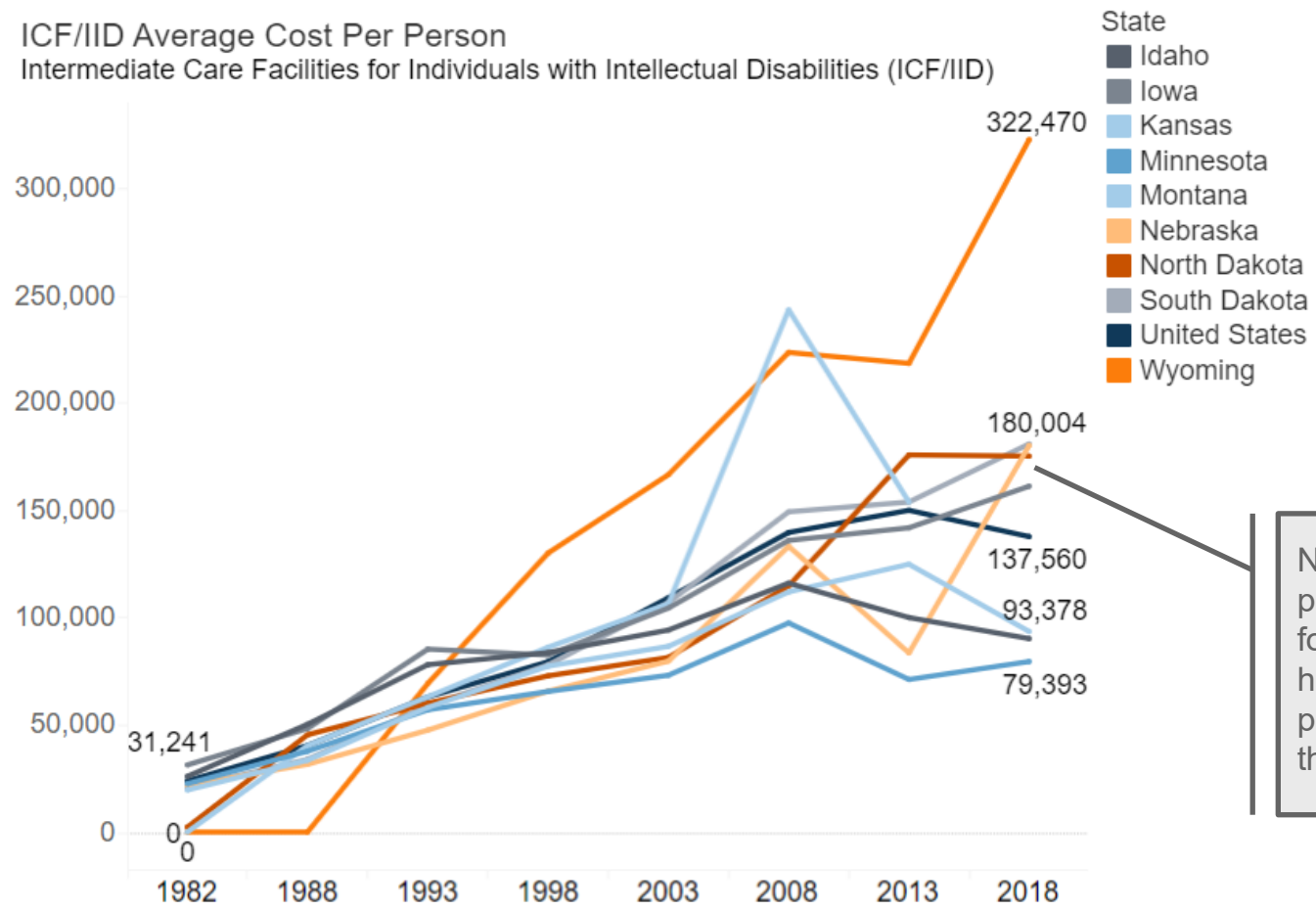
Peer States: ICF/IID Residents

North Dakota serves more people in ICF/IIDs than peer states

Medicaid ICF/IID Residents per 100,000 of the Population



Peer States: ICF/IID Spend

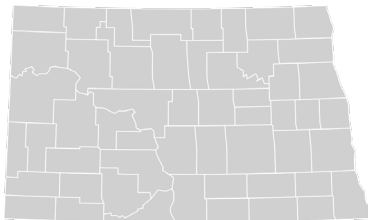


North Dakota's per person spend for ICF/IID's is higher than many peer states and the US average



What Does it Cost To Serve People with Developmental Disabilities in Different Settings?

In both North Dakota and across the country, it costs less per person to serve someone with I/DD on a DD waiver than in an Intermediate Care Facility (ICF)

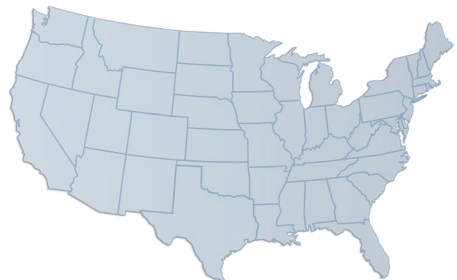


Waiver Cost Per Person (2018):
\$39,693



ICF Cost Per Person (2018):
\$175,049

5,157 North Dakotans receiving LTSS from the State IDD Agency (2018)



Waiver Cost Per Person (2018):
\$47,835



ICF Cost Per Person (2018):
\$137,560

1,308,659 Americans receiving LTSS from State IDD Agencies (2018)

State	ICF Spend as % of Total IDD \$	Waiver Spend as % of Total IDD \$
North Dakota	29%	71%
United States	19%	81%

*North Dakota’s share of DD spending in institutions is significantly higher than national figures, indicating there is an opportunity to invest in the home and community-based settings supported by the DD Waiver.

See Appendix, Peer State Benchmarking, for more detailed analysis of ICF and waiver spending.

*Citation: Residential Information Systems Project. (2021). Living Arrangements of LTSS Recipients by Fiscal Year Over Time. University of Minnesota. <https://risp.umn.edu/viz/living-arrangements/living-arrangements-of-ltss-recipients-by-fiscal-year-over-time>

Peer States: ICF/IID Spend Comparison

	Total People Living in ICFs	% of People Living in ICFs	Total ICF Spend	% ICF Spend	Total People Served	Total Spend
North Dakota	460	7.57%	\$80,522,540	29.25%	5,157	\$275,335,784
Nebraska	382	6.59%	\$68,761,528	18.73%	5800	\$367,058,908
Montana	N/A	N/A	N/A	0.00%	2746	\$113,619,580
Idaho	73	0.88%	\$6,574,599	2.52%	8327	\$260,486,457
Wyoming	72	3.01%	\$23,217,840	19.18%	2394	\$121,046,256
Minnesota	1,441	4.22%	\$114,405,313	6.86%	34161	\$1,668,719,713
Kansas	430	4.50%	\$41,086,500	7.29%	9554	\$563,481,120
Iowa	1,440	7.77%	\$231,887,520	28.78%	18522	\$805,652,614
South Dakota	176	4.41%	\$31,807,072	21.52%	3,990	\$147,774,447
National	70,046	5.35%	\$9,635,527,760	18.64%	1,308,659	\$51,685,458,530



Contact information

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