

MEMORANDUM



JOINT BUDGET COMMITTEE

TO JBC Members
 FROM Megan Davisson, JBC Staff
 DATE February 3, 2017
 SUBJECT Additional information on Reason for Staff Recommendation for the One-time SLS Provider Payment in FY 2016-17

Request: Rep. Young requested additional information on why staff recommended the one-time Supported Living Services payment for FY 2016-17. The following is information about the financial losses providers are experiencing which drove the recommendation.

Mosaic of Colorado Springs – Loses \$0.40 for every dollar they are reimbursed for Supported Living Services.

Community Link Colorado – Provided the following information about rates vs employer cost (wages plus social security, workers compensation, administration, leave).

HCBS-SLS WAIVER RATES COMPARED TO EMPLOYER COST					
	15 min	1 hour	Average Employer Cost - Assuming \$11.30/hr wage	Rate-Employer Cost	
Behavioral line staff	\$6.63	\$26.52	\$20.20	\$6.32	
Respite	\$4.95	\$19.80	\$20.20	(\$0.40)	
Personal Care	\$4.95	\$19.80	\$20.20	(\$0.40)	
Homemaker, Basic	\$3.73	\$14.92	\$20.20	(\$5.28)	
Homemaker, Enhanced	\$6.13	\$24.52	\$20.20	\$4.32	
Supported Community Connections					
SIS Level 1	\$2.87	\$11.48	\$20.20	(\$8.72)	
SIS Level 2	\$3.14	\$12.56	\$20.20	(\$7.64)	
SIS Level 3	\$3.54	\$14.16	\$20.20	(\$6.04)	
SIS Level 4	\$4.07	\$16.28	\$20.20	(\$3.92)	
SIS Level 5	\$4.90	\$19.60	\$20.20	(\$0.60)	
SIS Level 6	\$6.44	\$25.76	\$20.20	\$5.56	

Bethesda - The biggest issue we face in SLS is a lack of adequate reimbursement rates for specific services (this is often the case for CES as well). In these examples, consider that we pay staff an approximate \$14-\$15 per hour with benefits. Now let's look at rates:

- 1 Homemaker Basic = \$3.73/unit or \$14.92/hour – considering that we have other overhead costs (mileage paid to staff and/or agency vehicle expenses, personnel infrastructure costs (manager, director, etc.), and any other costs, we lose money providing this service.
- 2 Personal Care or Respite (hourly) = \$4.95/unit or \$19.80/hour – again, considering these other overhead costs, we may barely break even with this service.

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- 3 Respite (daily) = \$197.91/day – some people want Respite for a couple days, even a week or two at a time. This service has to be greater than 10 hours to be considered billable at the daily rate; however, once we're hitting the 11-12 hour range, we start losing money providing this service. So we typically don't respond to referrals that desire Respite over 10 hours.

Mountain Valley Developmental Services – Lost \$215,000 providing Supported Living Services in FY 2015-16 (approximately \$2,400 per person). They anticipate a similar loss for FY 2016-17. With the supplemental, they anticipate receiving \$90,000 which would reduce their loss to \$125,000 providing Supported Living Services.

Community Connections – This agency is the sole provider of most Supported Living Services in Southwest Colorado. Last year alone, they lost \$65,351 providing services for Medicaid SLS (averaging a loss of \$1233 per person).

Mosaic – for all of the services they provide in aggregate across the state – For every dollar in revenue, the agency spends \$1.63 to provide Supported Living Services.

Mosaic Denver Services – For every dollar in revenue, the agency spends \$1.64 to provide Supported Living Services.

Mosaic Fort Collins – For every dollar in revenue, the agency spends \$1.72 to provide Supported Living Services.

Mosaic Western Colorado – For every dollar in revenue, the agency spends \$1.37 to provide Supported Living Services.