



Missouri Planning Council for Developmental Disabilities Fact Sheet: Institutions - Cost and Quality

Although MPCDD understands that economic factors have not been - nor should be - the primary basis for determining policy on the way services and supports are provided to individuals with developmental disabilities in the state of Missouri, we know there are economic ramifications of the way people are supported.

We believe Missouri's limited resources should be used wisely to support contemporary best practice:

- We believe that serving people in the community is the most cost effective option for the state *overall*;
- We believe serving people in the community results in the highest possible quality of life for our fellow citizens who happen to have a developmental disability;
- We believe policy should be driven by best practice and the needs and desires of the individuals with developmental disabilities served;
- We believe Missouri needs to make the move to provide all services to people with developmental disabilities in the community with the supports they need to live, work, play and worship with their fellow citizens.

Below are selected excerpts from research, plans, evaluations and reports from Missouri and other states that support our stance:

Nation Wide

- ❖ Total large state-run facilities closed between 1960 – 2008: 187
- ❖ States with no large state-run facilities: 10
(RISP Report 2008, Prouty & Lakin)

- ❖ Lakin, et.al, reports in “Residential Services for Persons with Developmental Disabilities: Status and Trends Through 2008” that the average daily expenditure nationwide in FY 2008 for public settings with 7-15 residents was \$496.48; for public settings with 16 or more residents the average daily cost was \$514.35. This places Missouri's average squarely on par with the national average.
 - Missouri also provided data for that report that stated that, at that time, the average ranged from a low of \$297.99 per day at one facility to a high of \$599.19 at another.
- ❖ In studies that looked closely at the costs of services in community residential settings the findings showed the costs of community services ranged from 5-27% less than state institutional services provided to similar people (from the Community for All Toolkit).
- ❖ Stancliffe and Lakin found that if a state moves a significant enough portion of their institutional population, the overall costs of institutional services can decline despite the rise in institutional per diems. Even if per diem costs rise, overall expenditures decline as long as enough individuals move. Their work found that populations must be reduced by 6% per year in order to achieve any decline in expenditures.

The **Missouri Planning Council for Developmental Disabilities** is a federally- funded, 23-member, consumer-driven council appointed by the Governor. Its mandate under P.L. 106-402, the Developmental Disabilities Assistance and Bill of Rights Act, is to assure that individuals with developmental disabilities and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration in all aspects of community life.



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In Missouri:

- ❖ According to data provided to MPCDD in November of 2009 the Department of Mental Health, Division of Developmental Disabilities reported the total cost of supporting a person in an institution was on average \$441.36 per day, while the average total cost of supporting a person in the community was \$162.00 per day.
- ❖ Human Services Research Institute found in “Services and Supports for Missouri’s Citizens with Developmental Disabilities: An Update” published March 22, 2004 when comparing costs by type of residential setting, taking into account room and board costs and health care costs of persons served thorough the home and community based waiver program, that “Hab Center on Campus” and Hab Center Operated Group Home” settings were the highest cost settings in the state. They stated “The costs of community residential services in Missouri are appreciably lower than the costs of supporting individuals at the Habilitation Centers.”
- ❖ In 2003, then State Auditor Claire McCaskill, projected that closing one habilitation center would result in \$5-6.9 million dollars in savings (\$2-2.7million in state funds; \$3-4.2million in federal funds)

In Other States:

- ❖ Indiana:
 - The cost at Indiana’s last institution (Fort Wayne State Developmental Center) was as much as \$860 per day. Individuals who went into supported living arrangements funded by the waiver averaged \$392.38 per day. An additional \$14.30 per day in state funds was provided to supplement room and board costs. Some individual’s went to four-bed group homes for people who are medically fragile with an established rate of about \$400 per day.
- ❖ Alabama
 - In 2003, with 350 residents in four developmental centers they reported the average cost to support a person in those facilities ranged from \$424 to \$596 per day.
 - In the “Alabama Consolidation Plan (2003)” the state projected cost savings (which they wisely planned to reinvest in the community system) from consolidating three centers into one would be realized over a two-year period. In FY’04 the projected savings was \$28million (\$10million state) and in FY’05 it was \$32million (\$11million state).
- ❖ Massachusetts
 - In their publication “DMR Community Services Expansion and Facilities Restructuring Plan” (revised March, 2009) the Commonwealth projected realized savings over four years of \$40-42 million dollars (to be reinvested in community services) stemming from the planned closure of four of their six institutions.
- ❖ Maryland
 - The average cost per day for residents of Rosewood Center was \$583 per day. In 2009, the DDA reported the average annual cost of community services for people who left Rosewood is \$409 per day.

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