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### Residential Rate Setting Project in Family Care

Laureate Group comments by section

#### Room and Board: Calculation of Member Obligation

- Providers have assumed that these calculations have been carried out in accordance with CMS regulations. Few providers get involved in these calculations and accept information provided as fact.

#### Room and Board Costs

- We understand the appeal of using HUD benchmarks as a platform for uniform room and board setting. However, neither common area nor staff space are properly accounted for in the HUD tables. These areas can compromise from 30% to 50+% of assisted living building space and, as a result, HUD benchmarks are an inadequate measure of housing costs.
- From 2002 until 2008 there was no increase in the HUD income limits. Any reliance on HUD tables should be modified to account for increasing costs such as property taxes, utilities, maintenance and board related costs.

#### Service Costs

- The outline suggests that the emphasis is on Medicaid-covered services costs. The appeal of assisted living is the quality of life services, not only the quality of care services. There are substantial costs in transportation, activity programming, security and reception that are not services typically purchased on a Medicaid card. These services must be provided by regulation and, as a result, it is important that all costs of providing regulation compliant services be incorporated into the rate setting methodology.
- Ultimately, individual service costs will be dependent on a reliable assessment tool. The long term care functional screen is inadequate to capture all of the information that impacts provider cost. Examples:
  - Medication – the LTC functional screen only concerns itself with frequency. The type of medication: oral, suppository, nebulizer, injection, etc. is critically important in determining the staff needed to provide the care and ultimately the cost. The medication provider also contributes to costs for the facility – the VA vs facility pharmacy, for example. In addition, narcotics vs regular medication vs over the counter is also important and contributes to costs.
  - Wound Care – the LTC functional screen does not discuss the type or severity of the wound. All plays a role in the care as well as the cost to provide it.
  - Oxygen – The LTC functional screen allows for less than daily care. If you have to be checked on every day to see whether or not it is needed and available, daily care is the standard.

#### Family Contributions

- Private pay consumers are faced with economic tradeoffs when choosing between assisted living facilities and among individual units at particular facilities. While it varies greatly, many facilities offer a wide variety of unit configurations. Some offer alcove, 1 and 2 bedroom apartments. Others offer private and semi-private rooms. Others have some units with shared baths and others with private baths. Some units have balconies. Some private pay consumers elect to pay for upgraded features, while others elect to save money. Family care participants should not be insulated from the economic impact of these decisions.
- We suggest the Family Care rate should cover services in the lowest amenity unit at a particular facility. If a participant desired to live in a multiple bedroom unit in a facility that offers alcoves, or have a private bath in a facility that has shared baths, family members of the participant should be permitted to supplement the Family Care payment.

If you have questions, feel free to contact: Beth Anderson, Executive Vice President: (262) 832-7123



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