

The purpose of this informational bulletin is to share a description of how the ADRC Cost Model Budgeting Tool was prepared. This tool was used in preparing the Department's 07-09 biennial budget request to expand ADRC coverage. The bulletin describes the core activities that were included, the assumptions that were made and the anticipated Federal funding. To access the ADRC Cost Model Budgeting Tool you can select the link at the end of this bulletin. This tool may be beneficial to planning groups since it can be adjusted to reflect one or more county/tribal actual costs for items such as salary, fringe, leave time, non-client specific service, direct expenses, etc. If you have any questions about the tool or the assumptions you may contact Julie Schroeder, ADRC Budget Analyst, Bureau of Aging & Disability Resources, (608) 261-8338 or schroja1@dhfs.state.wi.us

ADRC Cost Model Budgeting Tool

2-26-07

Funding

ADRC Cost Model Funding per 1% of the Adult Population			
Activities	All Funds	GPR	Federal Funds
ADRC Basic	\$ 413,188	\$ 315,595	\$ 97,593
Functional Screen	\$ 35,714	\$ 27,279	\$ 8,435
CMO Add-On	\$ 38,399	\$ 29,329	\$ 9,069
Total	\$ 487,301	\$ 372,203	\$ 115,097

The ADRC Basic Cost Model funds the following activities:

- Information and Assistance for Long-Term Care, Disabilities and Mental Health
- Long Term Care Options Counseling
- Disability Benefits Counseling, DBS Legal Back-up, DBS Training
- Functional Screen Activities
- Short Term Care Coordination & Case Management
- Non-Client Specific Services, including Marketing, Outreach & Public Education, Client Advocacy and Community Needs Assessment
- Direct and Indirect Expenses

The CMO Add-on funds the following activities:

- Financial Information Gathering
- Notification of Eligibility
- Enrollment in CMO
- Disenrollment

The following activities identified in the 2006 ADRC contract are not funded through the ADRC Cost Model

- Elderly Benefits Counseling (funded separately with GPR & OAA funds)
- Prevention and Early Intervention Grant (funded through a competitive grant)

Assumptions

1. Time estimates for each business function are largely based on the Original DHFS Cost Model Methodology. Units per 1% of the population are from existing ADRC self-reported statistics taken from the Quarterly Family Care Activity Reports for the four quarters ending March 31, 2006.
2. Time estimates for the activities in the model were validated in a teleconference with ADRC directors and staff.
3. The individual assumptions for the funded activities are:
 - a. Information and Assistance: Respond to Inquiry – Based on the number of ADRC contacts. Each contact is estimated to take ½ hour of Social Worker time. The number of contacts per 1% of the population is 3,188.
 - b. Information and Assistance: Process Client Needs – Assume 40% of the ADRC contacts require processing of client needs. Each client requires 1.25 hours of Social Worker time. 40% of the 3,188 contacts is 1,275.
 - c. Information and Assistance: Follow-up to Inquiry – Based on the number of ADRC contacts requiring follow-up. Each follow-up contact requires 15 minutes of Social Worker time. The number of contacts requiring follow-up is 186 per 1% of the population.
 - d. Information and Assistance: Mental Health I&A Expansion – Estimate for the number of contacts based on the proportion of the population with Mental Illness to the combined population of Elderly, Physically and Developmentally Disabled and Mentally Ill. Mentally Ill persons comprise 7.88% of the combined target group population. For modeling purposes we will assume approximately 50% of the 7.88% will require a response to an Information and Assistance Inquiry. Model uses 4%.
 - e. Long-Term Care Options Counseling – Based on the number of contacts for long-term care. Long-term care options counseling requires 2.5 hours of Social Worker time per client. The number of contacts for long-term care is 780 per 1% of the population.
 - f. Disabilities Benefit Counseling - Based on the number of contacts for disabilities. Disability benefit counseling requires 2.5 hours of Social Worker time per client. The number of contacts for disabilities is 252 per 1% of the population.
 - g. Disability Benefit Counseling: Legal Back-up – Based on \$10,917 per 1% of the population. This number is from the ADRC Second Generation model.
 - h. Disability Benefit Counseling: Training -- Based on serving 11.3587% of the population currently being served (does not include Milwaukee County), \$8,804 is required to serve 1% of the population.
 - i. Short Term Care Coordination and Case Management – The amount in the model is intended to also cover “immediate services” for a small number of clients. The funding is based on 7.5 hours of social worker services for each client requiring brief or short-term services or service coordination.

- The number of clients requiring brief or short-term services per 1% of the population is 107.
- j. Non-client Specific Services – This includes Marketing, Outreach & Public Education, Client Advocacy, and Community Needs Assessment. Based on 15% of the total direct service hours for the functions listed under a) through i) above.
 - k. Other Direct Expenses – Includes, Telephone, Rent, Supplies & Services, etc. Based on 20% of Salaries (which includes: Salaries, Fringes, Leave Adjustment and Supervisor Add-on).
 - l. Indirect Expenses – Includes AMSO (Agency Management Support Overhead) and Administrative Expenses. Based on 10% of Salaries and Other Direct Expenses.
4. Functional Screen – Based on the number of functional screens performed, 144 per 1% of the population. A functional screen requires 3.78 hours of nurse/social worker time and includes:
 - a. Determining consent (.25 hour)
 - b. Client interview (1.25 hours)
 - c. Collateral contact (.56 hours)
 - d. Paperwork (1.15 hours)
 - e. Travel (.57 hours).
 - f. CMO Add-on Component: Financial Information Gathering – Based on 50% of the number of initial functional screens performed, or 72 per 1% of the population. This activity requires 2.5 hours of Nurse/Social Worker effort. Only 50% of initial functional screens because a portion of population will already have MA coverage, be on SSI and/or be on the wait list and the financial components will have already been completed.
 - g. CMO Add-on Component: Notification of Eligibility – Based on 100% of the number of initial functional screens performed, or 144 per 1% of the population. This activity requires .5 hours of Social Worker effort.
 - h. CMO Add-on Component: Enrollment Consultation – Based on projected new CMO enrollment. This activity requires .5 hour of Social Worker effort.
 5. CMO Add-on Component: Disenrollment – Based on the number of disenrollments, 100 per 1% of the population. This activity requires 1 hour of Social Worker effort.
 6. Supervisor Cost – The assumed staff: supervisor ratio is 8:1. Based on the average of the hourly rates of the minimum and maximum of state classification for a social services supervisor:

	Min	Max	Average
Social Services Supervisor	\$ 19.38	\$ 38.52	\$ 28.95
Salary and Fringe Average			\$ 41.75
Salary and Fringe costs per staff worker hour assuming staff supervisor ratio of 8/1			\$ 5.22

7. Assumed adjustment for leave costs: 14.62%

	Hours
Vacation	120
Personal Days	36
Holidays	76
Sick Leave	40
Training	32
Total Hours Above	304
Total Hours per Year	2,080
Adjustment for Leave Costs	14.62%

8. Assumed fringe benefit rate: 44.22% of salaries (DHFS rate for FY 06)

9. Assumed salary hourly rates based on average of minimum and maximum of state classifications for social workers and nurses:

	Min	Max	Average
Social Worker	\$15.24	\$22.96	\$19.10
Social Worker – Adv	\$17.84	\$26.85	\$22.34
Average			\$20.72
Social Services Supervisor	\$19.38	\$38.52	\$28.95
Supervisor Salary & Fringe			\$41.81
Hourly rate based on 8:1			\$ 5.22
Nurse Consultant 1	\$21.33	\$34.13	\$27.73
Nurse Consultant 2	\$22.75	\$36.35	\$29.54
Average			\$28.63
	Nurse	SW	Nurse/SW
33% Nurse / 67% SW	\$13.88	\$9.45	\$23.33

10. Average of Social Workers’ salaries for Barron, Brown, Richland, Kenosha and Waushara/Green Lake/Marquette, based on CY 2006 budgets, \$20.76 per hour.

11. Anticipated Federal MA-Admin funding is approximately 23.6194% of all funds. The federal funding estimate is based on county reported federally claimable expenses for January – April 2006. Costs are accumulated using 100% time reporting.

12. Functional Screen – The functional screen will be shown separately from the Basic ADRC activities in the model. If a county is performing the functional screen as part of the functions of the HSD long-term care unit, funding for the functional screen could potentially transfer to the ADRC as part of the transition to Family Care.

13. Estimated GPR cost to fully fund ADRC expansion assumes that the county will receive funding for the ADRC basic and the functional screen components at 85% of the model cost for the first six months of operation. This is based on the assumption that there will be a ramp-up period associated with the ADRC start-up. The CMO component of the cost model is factored into funding based on the start date of the CMO.

This ADRC Cost Model Budgeting Tool is for Budgeting Purposes Only.

This is not a rate setting tool.



It is county specific ONLY in respect to the age 18+ population of a county. It should be used to project your county (or counties) costs to operate an Aging and Disability Resource Center. Numbers are based on contract required activities.

The ADRC Cost Model was used to prepare the budget proposal submitted to the Governor for the 07-09 Biennium, which is currently under review and has not been approved by the Legislature at this time.

Attachment: [ADRC Cost Model Budgeting Tool spreadsheet](#) (Excel, 736 KB)