

Provider Rates for Certified Community Training Centers and Supported Living Arrangements in Nevada

2014

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*Prepared for State of Nevada
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Executive Summary

The costs of operating certified community training centers and supported living arrangements in Nevada were examined in 2002 report by the Nevada Provider Rates Task Force for the year 2003. No similar analysis has been conducted in the interim. We have updated the cost estimates for mid-2014 by examining how each element of the cost structure has changed since the 2002 report.

The 2002 report recommended compensating certified community training centers operating at a 5:1 client-to-staff ratio at an hourly rate of \$7.16 for each individual served. Updating the 2002 analysis, we find the costs of Nevada's certified community training centers have increased by 8.9-16.2 percent, which would mean compensating certified community training centers operating at a 5:1 client-to-staff ratio at an hourly rate of \$7.80-8.33 for each individual served.

The compensation rates recommended in 2002 for certified community training centers operating at different client-to-staff ratios are correspondingly higher or lower. So are our updates.

The 2002 report recommended compensating operators of supported living arrangements for their direct care workers at an hourly rate of \$20.75. Updating the 2002 analysis, we find the costs of employing direct care workers at Nevada's supported living arrangements have increased by 18.4-26.4 percent, which would mean compensating the operators at an hourly rate of \$24.57-26.23 for their direct care workers.

The 2002 report recommended compensating operators of supported living arrangements for their nursing staff at an hourly rate of \$42.74. Updating the 2002 analysis, we find the costs of employing nursing staff at Nevada's supported living arrangements have increased by 40.4-49.9 percent, which would mean compensating the operators at an hourly rate of \$60.02-64.06 for their nursing staff.

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1. Introduction

The 2001 Nevada State Legislature approved A.B. 513—Strategic Healthcare Plan for Nevada which provided the state's Department of Human Resources with the means to prepare four strategic plans related to the welfare of senior citizens, the welfare of persons with disabilities, rural health issues and a comprehensive study of the various rates paid for providing services to these groups. As part of the fourth component of this undertaking, a group known as the Provider Rate Task Force submitted two strategic plans and recommendations regarding rates paid for services. The first plan, released in July 2002, covered services provided by Community Training Centers (CTCs) and Supported Living Arrangements (SLAs). The second plan, released in August 2002, covered other home- and community-based services.

CTCs and SLAs are center-based operations that provide services to individuals with developmental disabilities. Center-based CTC services, designed to enhance learning skills that may enable individuals to graduate to employment in the workforce, are provided to adults in a group setting for six hours per day. The SLAs provide support to individuals with developmental disabilities, so they can live as independently as possible in the community. This can range from providing service on a drop-in basis to a full 24-hour per day; 7 days per week schedule.

Twelve years have passed since the last examination of the costs for operating CTCs and SLAs. To better inform those who have an interest in CTCs and SLAs, it is time to update the estimates from the 2002 report. The Center for Business and Economic Research (CBER) at the University of Nevada, Las Vegas (UNLV) is providing this work for the State of Nevada Association of Providers in the public interest without any compensation.

Taking our cues from the 2002 report (which provided cost estimates for 2003), we used the recommended rate methodologies in that report and updated the cost information. We do not consider how the services offered by CTCs and SLAs may have changed nor how changes in practices may have affected staffing requirements. Our approach does reveal that the costs of operating CTCs and SLAs have increased substantially since 2003.

Following the 2002 approach on a strict basis shows costs for CTCs have increased by 8.3 to 16.6 percent since 2003. Allowing for some self-reported costs, we find that the costs of CTCs have increased by 15.6-21.3 percent. For the rate recommended in 2002, the costs of CTCs have increased by 8.9-16.2 percent.

A strict update of the 2002 analysis finds the operating costs for direct care workers in SLAs have increased by 18.4-18.7 percent since 2003. Allowing for some self-reported costs, we find that the operating costs for direct care workers in SLAs have increased by 26.4-26.7 percent.

Similarly, a strict update of the 2002 analysis finds the operating costs for nurses in SLAs have increased by 40.4 percent since 2003. Allowing for some self-reported costs, we find that the operating costs for nurses in supported living arrangements have increased by 49.9 percent.

The remainder of the report is organized as follows. Section 2 provides an overview of the estimated costs of operating CTCs in 2003 and 2014—using the four models from the 2002 report. Section 3 provides an overview of the estimated costs of operating SLAs in 2003 and 2014. Section 4 provides the summary of the cost changes between 2003 and 2014. Detailed cost analysis is reported in the appendices.

2. Certified Community Training Centers

Community Training Center services are provided to adults with developmental disabilities in a congregate setting for six hours per day whereby clients learn skills that may enable them to graduate to support employment in the workforce. These services range from vocational habilitation and support job skills training and coaching.

The July 2002 report on provider rates for CTCs and SLAs used four market-based models to estimate the costs of operating CTCs in 2003. These models are methods for estimating the costs of serving clients and reflect a variety of assumptions about the wages, benefit, programmatic and administrative costs associated with service delivery.

Model 1 is based on hourly wage and employee benefit assumptions from independent sources but is based on staffing ratios and administrative costs from the historical experience of Nevada providers. Model 2 is based on hourly wages and employee benefit assumptions from independent sources but is based on staffing ratios from the historical experience of Nevada providers, with a 20 percent cap on administrative expenses as stated in the Nevada administrative code. Model 3 is based on the hourly wages, employee benefits and staffing ratios from independent sources, with a 20 percent cap on administrative expenses as stated in the Nevada administrative code. The hourly wages are for retail workers. Like model 3, model 4 is based on the hourly wages, employee benefits and staffing ratios from independent sources, with a 20 percent cap on administrative expenses as stated in the Nevada administrative code. The hourly wages are an average for retail workers and social and human resource assistants. The 2002 report recommended the use of model option 4 for the basis for establishing CTC reimbursement rates.

We update these four models to 2014, using two different estimates of the benefits rate—one at 26.5 percent and one at 35 percent. The 26.5 percent benefit rate is a national average for 2013 obtained from the U.S. Bureau of Labor Statistics. It is an update of the 27 percent benefit rate used in the 2002 report. The 35 percent rate was obtained from individual reports provided by some of the CTCs operating in Nevada.

Table 1: Average Costs per Client Hour for Certified Community Training Centers

Model	2003	2014 (with benefits at 26.5% of wages)	Percent Change from 2003	2014 (with benefits at 35% of wages)	Percent Change from 2003
Option 1					
5 client hours per staff hour	\$12.25	\$14.27	16.6	\$14.86	21.3
1 client hour per staff hour	\$61.23	\$71.37	16.6	\$74.28	21.3
2 client hours per staff hour	\$30.62	\$35.69	16.6	\$37.14	21.3
8 client hours per staff hour	\$7.65	\$8.92	16.6	\$9.29	21.3
Option 2					
5 client hours per staff hour	\$9.89	\$10.82	9.4	\$11.55	16.7
1 client hour per staff hour	\$49.46	\$54.09	9.4	\$57.73	16.7
2 client hours per staff hour	\$24.71	\$27.05	9.4	\$28.87	16.7
8 client hours per staff hour	\$6.18	\$6.76	9.4	\$7.22	16.7
Option 3					
5 client hours per staff hour	\$6.85	\$7.42	8.3	\$7.92	15.6
1 client hour per staff hour	\$34.24	\$37.09	8.3	\$39.58	15.6
2 client hours per staff hour	\$17.12	\$18.55	8.3	\$19.79	15.6
8 client hours per staff hour	\$4.28	\$4.64	8.3	\$4.95	15.6
Option 4					
5 client hours per staff hour	\$7.16	\$7.80	8.9	\$8.33	16.2
1 client hour per staff hour	\$35.82	\$39.02	8.9	\$41.64	16.2
2 client hours per staff hour	\$17.90	\$19.51	8.9	\$20.82	16.2
8 client hours per staff hour	\$4.47	\$4.88	8.9	\$5.21	16.2

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

As shown in Table 1, the average cost per client hour in CTCs varies depending on the number of clients per staff hour and the model used to estimate the costs.¹ Our update of model option 1 shows CTC costs have increased by 16.6-21.3 percent since 2003. Our update of model option 2 shows CTC costs have increased by 9.4-16.7 percent since 2003. Our update of model option 3 shows CTC costs have increased by 8.3-15.6 percent since 2003. Our update of the recommended model option 4 shows CTC costs have increased by 8.9-16.2 percent since 2003. These overall increases are the result of increased costs for individual elements as shown in Appendix A.

In the 2002 report, model 4 provided the basis for recommended compensation. It shows recommended hourly compensation at \$7.16 for each client for CTCs operating at a 5:1 client-to-staff ratio (and correspondingly higher or lower rates for CTCs operating with lower or higher client-to-staff ratios). Our updated analysis shows that CTC have costs risen by 8.9-16.2 percent from 2003 to 2014, which would mean compensation at an hourly rate of \$7.80-8.33 for CTCs operating at a 5:1 client-to-staff ratio.

3. Supported Living Arrangements

SLAs are operations in which adults with developmental disabilities reside and are assisted by staff in their daily living. For SLAs, we examine the costs of employing direct care workers and nurses. Taking the same approach we did for CTCs, our estimates allow for national average benefits of 26.5 percent and self-reported benefits of 35 percent for Nevada SLAs.

3.1 Direct Care Workers

The July 2002 report on provider rates for CTCs and SLAs used two market-based models to estimate the costs of direct care workers in SLAs during 2003. Model 1 uses a blended staff of supervisory and non-supervisory personnel for estimating the costs of direct care workers. It is based on hourly wage and benefit assumptions from independent sources, staffing ratios from the historical experience of Nevada providers, productivity assumptions for training and record keeping and a 15 percent cap on administrative costs. The supervisory staff was a licensed practical nurse; the non-supervisory staff was a social and human resources assistant. Model 2 is the same as model 1, but the non-supervisory staff was an average of a retail worker and a social and human services assistant. The 2002 task force recommended the use of model option 2 with an hourly compensation rate for SLAs at \$20.75 for their direct care workers.

¹ For each model option, the costs per client hour are calculated by dividing the cost for one client hour by the number of clients. Consequently, for any given model option, the percent change in cost from 2003 to 2014 does not vary across the number of clients per hour.

Table 2: Costs for Direct Care Workers

Model	2003	2014 (with benefits at 26.5% of wages)	Percent Change from 2003	2014 (with benefits at 35% of wages)	Percent Change from 2003
Option 1	\$22.01	\$26.12	18.7	\$27.88	26.7
Option 2	\$20.75	\$24.57	18.4	\$26.23	26.4

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

We update these two models to 2014, using two different estimates of the benefits rate—one at 26.5 percent and one at 35 percent. As shown in Table 2, our update shows the costs for direct care workers in SLAs have increased 18.4-18.7 percent since 2003 under an assumed benefits rate of 26.5 percent. We also find the costs of direct care workers have increased 26.4-26.7 percent since 2003 under the self-reported benefits rate of 35 percent.

Our update for the recommended model option 2 shows that costs for direct care workers at SLAs have increased 18.4-26.4 percent since 2003, which would mean compensating SLAs for their direct care workers at an hourly rate of \$24.57-26.63.

3.2 Nursing Staff

The July 2002 report on provider rates for CTCs and SLAs also used a market-based model to estimate the costs for nursing staff in SLAs during 2003. The model for nursing staff was based on hourly wage and benefit assumptions from independent sources, productivity assumptions for training and record keeping and a 15 percent cap on administrative costs. The assumed staff level was a registered nurse. The 2002 report recommended compensating SLAs for their nursing staff at an hourly rate of \$42.74.

Table 3: Costs for Nursing Staff

	2003	2014 (with benefits at 26.5% of wages)	Percent Change from 2003	2014 (with benefits at 35% of wages)	Percent Change from 2003
Nurses	\$42.74	\$60.02	40.4	\$64.06	49.9

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

We update the model to 2014, using two different estimates of the benefits rate—one at 26.5 percent and one at 35 percent. As shown in Table 3, we find the operating costs for nursing staff in SLAs have increased by 40-49.9 percent since 2003. That increase would mean compensating SLAs for their nursing staff at an hourly rate of \$60.02-64.06 would be necessary to keep pace with inflation.

4. Summary and Conclusion

We find that the costs of operating CTCs and SLAs have increased considerably with inflation since the Nevada Provider Rates Task Force issued its July 2002 recommendations on compensation rates for CTCs and SLAs. Yet, the public compensation offered to CTCs and SLAs have not changed since 2003.

The 2002 task force recommended hourly compensation at \$7.16 for CTCs operating at a 5:1 client-to-staff ratio (and correspondingly higher or lower rates for CTCs operating with lower or higher client-to-staff ratios). Our updated analysis shows that CTC costs have risen by 8.9-16.2 percent from 2003 to 2014. Those higher costs mean that compensation at an hourly rate of \$7.80-8.33 for CTCs operating at a 5:1 client-to-staff ratio would yield the same compensation (adjusted for inflation) that was recommended in 2002.

SLAs show similar cost increases. For direct care workers, the 2002 task force recommended that SLAs be compensated for their direct care workers an hourly rate of \$20.75. Our update shows that costs for direct care workers at SLAs have increased 18.4-26.4 percent since 2003. Those higher costs mean that compensating SLAs for their direct care workers at an hourly rate of \$24.57-26.63 would yield the same compensation (adjusted for inflation) that was recommended in 2002.

For nursing staff, the 2002 task force recommended that SLAs be compensated for their nursing staff at an hourly rate of \$42.74 per hour. Our update shows that the costs for nursing staff at SLAs have increased by 40.4-49.9 percent. Those higher costs mean that compensating SLAs for their nursing staff at an hourly rate of \$60.02-64.06 would yield the same compensation (adjusted for inflation) that was recommended in 2002.

References

The Nevada Provider Rates Task Force (2002), *Strategic Plan for Certified Community Training Centers and Supported Living Arrangements*, State of Nevada Department of Human Resources, Carson City, NV (July 15).

The Nevada Provider Rates Task Force (2002), *Strategic Plan for Phase II Services*, State of Nevada Department of Human Resources, Carson City, NV (August 15).

Appendix A. Detailed Cost Analysis for Certified Community Training Centers

Table A.1: Costs for Certified Community Training Centers, 2003

	Model			
	Option 1	Option 2	Option 3	Option 4
Wages per Hour (BLS data)				
Direct Care Supervisor				
Number of Staff per Hour	0.68	0.68	0.50	0.50
Hourly Wage (Rehabilitation Counselor, Nevada statewide)	\$15.31	\$15.31	\$15.31	\$15.31
Inflated Wages (Dec 03)	\$17.01	\$17.01	\$17.01	\$17.01
Wages * Staffing Level	\$11.56	\$11.56	\$8.50	\$8.50
Habilitation/Direct Care Staff				
Number of Staff per Hour	1.3	1.3	1.0	1.0
Hourly Wage (social & human serv asst, Nevada statewide)	\$12.15	\$12.15		
Hourly Wage (retail worker, Nevada statewide)			\$10.50	
Hourly Wage (50% soc & human serv asst + 50% retail worker)				\$11.33
Inflated Wages (Dec 03)	\$13.50	\$13.50	\$11.66	\$12.58
Wages * Staffing Level	\$17.55	\$17.55	\$11.66	\$12.58
Total Wages per Hour	\$29.11	\$29.11	\$20.17	\$21.08
Employee-Related Benefits (BLS data, 27%)				
Direct Care Supervisor	\$3.12	\$3.12	\$2.30	\$2.30
Habilitation/Direct Care Staff	\$4.74	\$4.74	\$3.15	\$3.40
Total Benefits per Hour	\$7.86	\$7.86	\$5.45	\$5.69
Total Hourly Compensation (Wages + Benefits)	\$36.97	\$36.97	\$25.61	\$26.78
Productivity Assumptions				
Total Hours	6.00	6.00	6.00	6.00
Records/Documentation	0.25	0.25	0.25	0.25
Training	0.02	0.02	0.02	0.02
"No Shows"	0.12	0.12	0.12	0.12
Average on-site billable hours	5.61	5.61	5.61	5.61
Productivity Adjustment	1.07	1.07	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$39.54	\$39.54	\$27.40	\$28.66
Administrative Overhead				
Using Actual Program Costs	\$21.69			
Using 20% Cap on Administrative Costs		\$9.89	\$6.85	\$7.16
Total Cost per Hour	\$61.23	\$49.43	\$34.24	\$35.82

Source: Nevada Provider Rates Task Force

Table A.1 provides the detailed cost information for CTCs as reported in 2002 for 2003. As described above, the Nevada Provider Rates Task Force used four models to estimate the costs of operating CTCs in 2003. These models reflect a variety of assumptions about the wages, benefit and administrative costs associated with service delivery. Model 1 is based on hourly wage and employee benefit assumptions from independent sources and staffing ratios and administrative costs from the historical experience of Nevada providers. The hourly wages are for social and human resource assistants. Model 2 is based on the same assumptions about

wages, benefits and staffing ratios as Model 1, with a 20 percent cap on administrative expenses as stated in the Nevada administrative code. Model 3 is based on the hourly wages, employee benefits and staffing ratios from independent sources, with a 20 percent cap on administrative expenses. The hourly wages are for retail workers. Like model 3, model 4 is based on the hourly wages, employee benefits and staffing ratios from independent sources, with a 20 percent cap on administrative expenses. The hourly wages are an average for retail workers and social and human resource assistants. The 2002 report recommended the use of model option 4 for the basis for establishing CTC reimbursement rates.

Table A.2: Costs for Certified Community Training Centers, 2014 (with 26.5% benefit rate)

	Model			
	Option 1	Option 2	Option 3	Option 4
Wages per Hour (BLS data)				
Direct Care Supervisor				
Number of Staff per Hour	0.68	0.68	0.50	0.50
Hourly Wage (Rehabilitation Counselor, Nevada statewide)	\$17.08	\$17.08	\$17.08	\$17.08
Inflated Wages (2014)	\$17.38	\$17.38	\$17.38	\$17.38
Wages * Staffing Level	\$11.82	\$11.82	\$8.69	\$8.69
Habilitation/Direct Care Staff				
Number of Staff per Hour	1.3	1.3	1.0	1.0
Hourly Wage (social & human serv asst, Nevada statewide)	\$15.23	\$15.23		
Hourly Wage (retail worker, Nevada statewide)			\$13.00	
Hourly Wage (50% soc & human serv asst + 50% retail worker)				\$14.12
Inflated Wages (2014)	\$15.50	\$15.50	\$13.23	\$14.37
Wages * Staffing Level	\$20.15	\$20.15	21.92	\$14.37
Total Wages per Hour	\$31.97	\$31.97	\$20.17	\$23.06
Employee-Related Benefits (BLS data, 26.5%)				
Direct Care Supervisor	\$3.13	\$3.13	\$2.30	\$2.30
Habilitation/Direct Care Staff	\$5.34	\$5.34	\$3.51	\$3.81
Total Benefits per Hour	\$8.47	\$8.47	\$5.81	\$6.11
Total Hourly Compensation (Wages + Benefits)	\$40.44	\$40.44	\$27.73	\$29.17
Productivity Assumptions				
Total Hours	6.00	6.00	6.00	6.00
Records/Documentation	0.25	0.25	0.25	0.25
Training	0.02	0.02	0.02	0.02
“No Shows”	0.12	0.12	0.12	0.12
Average on-site billable hours	5.61	5.61	5.61	5.61
Productivity Adjustment	1.07	1.07	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$43.27	\$43.27	\$29.67	\$31.22
Administrative Overhead				
Using Actual Program Costs (inflated to 2014)	\$28.10			
Using 20% Cap on Administrative Costs		\$10.82	\$7.42	\$7.80
Total Cost per Hour	\$71.37	\$54.09	\$37.09	\$39.02

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

To create the information in Table A.2, we updated the wage and benefits data to 2014 information from the U.S. Bureau of Labor Statistics (BLS). We also adjusted the program costs under Model Option 1 to account for inflation. We maintained the assumptions about operations the same as shown in Table A.1.

As shown in Table A.2, the BLS finds the average U.S. benefit rates declined from 27 percent in 2003 to 26.5 percent in 2014. Some Nevada providers reported that their benefit costs increased to 35 percent in 2014. To create Table A.3, we use the same information as for Table A.2, but with a 35 percent benefit rate.

Table A.3: Costs for Certified Community Training Centers, 2014 (with 35% benefit rate)

	Model			
	Option 1	Option 2	Option 3	Option 4
Wages per Hour (BLS data)				
Direct Care Supervisor				
Number of Staff per Hour	0.68	0.68	0.50	0.50
Hourly Wage (Rehabilitation Counselor, Nevada statewide)	\$17.08	\$17.08	\$17.08	\$17.08
Inflated Wages (2014)	\$17.38	\$17.38	\$17.38	\$17.38
Wages * Staffing Level	\$11.82	\$11.82	\$8.69	\$8.69
Habilitation/Direct Care Staff				
Number of Staff per Hour	1.3	1.3	1.0	1.0
Hourly Wage (social & human serv asst, Nevada statewide)	\$15.23	\$15.23		
Hourly Wage (retail worker, Nevada statewide)			\$13.00	
Hourly Wage (50% soc & human serv asst + 50% retail worker)				\$14.12
Inflated Wages (2014)	\$15.50	\$15.50	\$13.23	\$14.37
Wages * Staffing Level	\$20.15	\$20.15	21.92	\$14.37
Total Wages per Hour	\$31.97	\$31.97	\$20.17	\$23.06
Employee-Related Benefits (Provider Reported 35%)				
Direct Care Supervisor	\$4.14	\$4.14	\$3.04	\$3.04
Habilitation/Direct Care Staff	\$7.05	\$7.05	\$4.63	\$5.03
Total Benefits per Hour	\$11.19	\$11.19	\$7.67	\$7.67
Total Hourly Compensation (Wages + Benefits)	\$43.16	\$43.16	\$29.59	\$31.13
Productivity Assumptions				
Total Hours	6.00	6.00	6.00	6.00
Records/Documentation	0.25	0.25	0.25	0.25
Training	0.02	0.02	0.02	0.02
"No Shows"	0.12	0.12	0.12	0.12
Average on-site billable hours	5.61	5.61	5.61	5.61
Productivity Adjustment	1.07	1.07	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$46.18	\$46.18	\$31.67	\$33.31
Administrative Overhead				
Using Actual Program Costs (inflated to 2014)	\$28.10			
Using 20% Cap on Administrative Costs		\$11.55	\$7.92	\$8.33
Total Cost per Hour	\$74.28	\$57.73	\$39.58	\$41.64

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

Appendix B. Detailed Costs Analysis for Supported Living Arrangements

SLAs have costs for direct care workers and nurses. We examine both.

B.1 Direct Care Workers

Table B.1: Costs for Direct Care Workers, 2003

	Model	
	Option 1	Option 2
Wages per Hour (BLS data)		
Direct Care Supervisor and Case Managers		
Staffing Level per Hour	0.12	0.12
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$16.56	\$16.56
Inflated Wages (Dec 03)	\$18.40	\$18.40
Wages * Staffing Level	\$2.21	\$2.21
Direct Care Staff		
Staff Level per Hour	0.88	0.88
Hourly Wage (social & human serv asst, Nevada statewide)	\$12.15	
Hourly Wage (50% soc & human serv asst + 50% retail worker)		\$11.33
Hourly Wage (Registered Nurse, Nevada statewide)		
Hourly Wage (50% soc & human serv + 50% retail worker)		
Inflated Wages (Dec 03)	\$13.50	\$12.58
Wages * Staffing Level	\$11.88	\$11.07
Total Wages per Hour	\$14.08	\$13.28
Employee-Related Benefits (BLS data, 27%)		
Direct Care Supervisor	\$0.60	\$0.60
Direct Care Staff	\$3.21	\$2.99
Total Benefits per Hour	\$3.80	\$3.59
Total Hourly Compensation (Wages + Benefits)	\$17.89	\$16.86
Productivity Assumptions		
Total Hours	8.00	8.00
Records/Documentation	0.50	0.50
Training	0.02	0.02
Average on-site billable hours	7.48	7.48
Productivity Adjustment	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$19.14	\$18.05
Administrative Overhead		
Administrative Costs (15% of wages + benefits)	\$2.87	\$2.71
Total Cost per Hour	\$22.01	\$20.75

Source: Nevada Provider Rates Task Force

Table B.1 provides the detailed cost information for direct care workers in SLAs as reported in 2002 for 2003 under the assumption of one staff hour per individual hour served. As described above, the Nevada Provider Rates Task Force used two models to estimate the costs of direct care workers in 2003. These two models reflect different assumptions about the

workers' wages. Model 1 is based on hourly wage and employee benefit assumptions from BLS data, staffing ratios from the historical experience of Nevada providers and a 15 percent cap on administrative expenses. The hourly wages are for social and human resource assistants. Model 2 is also based on hourly wages and employee benefit assumptions from BLS data, staffing ratios from the historical experience of Nevada providers and a 15 percent cap on administrative expenses as stated in the Nevada administrative code. The hourly wages are an average for retail workers and social and human resource assistants. The 2002 report recommended using the slightly lower wages found in model option 2.

Table B.2: Costs for Direct Care Workers, 2014 (with 26.5% benefit rate)

	Model	
	Option 1	Option 2
Wages per Hour (BLS data)		
Direct Care Supervisor and Case Managers		
Staffing Level per Hour	0.12	0.12
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$25.72	\$25.72
Inflated Wages (2014)	\$26.18	\$26.18
Wages * Staffing Level	\$3.14	\$3.14
Direct Care Staff		
Staff Level per Hour	0.88	0.88
Hourly Wage (social & human serv asst, Nevada statewide)	\$15.23	
Hourly Wage (50% soc & human serv asst + 50% retail worker)		\$14.12
Hourly Wage (Registered Nurse, Nevada statewide)		
Hourly Wage (50% soc & human serv + 50% retail worker)		
Inflated Wages (2014)	\$15.50	\$14.37
Wages * Staffing Level	\$13.64	\$12.65
Total Wages per Hour	\$16.78	\$15.79
Employee-Related Benefits (BLS data, 26.5%)		
Direct Care Supervisor	\$0.83	\$0.83
Direct Care Staff	\$3.61	\$3.61
Total Benefits per Hour	\$4.45	\$4.18
Total Hourly Compensation (Wages + Benefits)	\$21.23	\$19.97
Productivity Assumptions		
Total Hours	8.00	8.00
Records/Documentation	0.50	0.50
Training	0.02	0.02
Average on-site billable hours	7.48	7.48
Productivity Adjustment	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$22.71	\$21.37
Administrative Overhead		
Administrative Costs (15% of wages + benefits)	\$3.41	\$3.21
Total Cost per Hour	\$26.12	\$24.57

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

To create the information in Table B.2, we updated the wage and benefits data to 2014 information from the U.S. Bureau of Labor Statistics (BLS). We maintained the assumptions about operations and overhead the same as shown in Table B.1.

As shown in Table B.2, the BLS finds the average U.S. benefit rates declined from 27 percent in 2003 to 26.5 percent in 2014. Some Nevada providers reported that their benefit costs increased to 35 percent in 2014. To create Table B.3, we use the same information as for Table B.2 but with a 35 percent benefit rate.

Table B.3: Costs for Direct Care Workers, 2014 (with 35% benefit rate)

	Model	
	Option 1	Option 2
Wages per Hour (BLS data)		
Direct Care Supervisor and Case Managers		
Staffing Level per Hour	0.12	0.12
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$25.72	\$25.72
Inflated Wages (2014)	\$26.18	\$26.18
Wages * Staffing Level	\$3.14	\$3.14
Direct Care Staff		
Staff Level per Hour	0.88	0.88
Hourly Wage (social & human serv asst, Nevada statewide)	\$15.23	
Hourly Wage (50% soc & human serv asst + 50% retail worker)		\$14.12
Hourly Wage (Registered Nurse, Nevada statewide)		
Hourly Wage (50% soc & human serv + 50% retail worker)		
Inflated Wages (2014)	\$15.50	\$14.37
Wages * Staffing Level	\$13.64	\$12.65
Total Wages per Hour	\$16.78	\$15.79
Employee-Related Benefits (Provider Reported, 35%)		
Direct Care Supervisor	\$1.10	\$1.10
Direct Care Staff	\$4.77	\$4.43
Total Benefits per Hour	\$5.87	\$5.53
Total Hourly Compensation (Wages + Benefits)	\$22.65	\$21.31
Productivity Assumptions		
Total Hours	8.00	8.00
Records/Documentation	0.50	0.50
Training	0.02	0.02
Average on-site billable hours	7.48	7.48
Productivity Adjustment	1.07	1.07
Total Hourly Compensation after Productivity Adjustment	\$24.24	\$2.80
Administrative Overhead		
Administrative Costs (15% of wages + benefits)	\$3.64	\$3.42
Total Cost per Hour	\$27.88	\$26.23

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

B.2 Nursing Staff

Table B.4: Costs for Nursing Staff, 2003

	Costs
Wages per Hour (BLS data)	
Direct Care Supervisor and Case Managers	
Staffing Level per Hour	0.00
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$25.72
Inflated Wages (Dec 03)	\$26.18
Wages * Staffing Level	\$0.00
Direct Care Staff	
Staff Level per Hour	1.00
Hourly Wage (social & human serv asst, Nevada statewide)	
Hourly Wage (50% soc & human serv asst + 50% retail worker)	
Hourly Wage (Registered Nurse, Nevada statewide)	\$24.62
Hourly Wage (50% soc & human serv + 50% retail worker)	
Inflated Wages (Dec 03)	\$27.35
Wages * Staffing Level	\$27.35
Total Wages per Hour	\$27.35
Employee-Related Benefits per Hour (BLS data, 27%)	\$7.38
Total Hourly Compensation (Wages + Benefits)	\$34.73
Productivity Assumptions	
Total Hours	8.00
Records/Documentation	0.50
Training	0.02
Average on-site billable hours	7.48
Productivity Adjustment	1.07
Total Hourly Compensation after Productivity Adjustment	\$37.17
Administrative Overhead	
Administrative Costs (15% of wages + benefits)	\$5.58
Total Cost per Hour	\$42.74

Source: Nevada Provider Rates Task Force

Table B.4 provides the detailed cost information for nursing staff in SLAs as reported in 2002 for 2003. Both models are based on hourly wage and employee benefit assumptions from BLS data, staffing ratios from the historical experience of Nevada providers and a 15 percent cap on administrative expenses. The hourly wages for overnight workers are an average for retail workers and social and human resource assistants.

Table B.5: Costs for Nursing Staff, 2014 (with 26.5% benefit rate)

	Costs
Wages per Hour (BLS data)	
Direct Care Supervisor and Case Managers	
Staffing Level per Hour	0.00
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$16.56
Inflated Wages (Dec 03)	\$18.40
Wages * Staffing Level	\$0.00
Direct Care Staff	
Staff Level per Hour	1.00
Hourly Wage (social & human serv asst, Nevada statewide)	
Hourly Wage (50% soc & human serv asst + 50% retail worker)	
Hourly Wage (Registered Nurse, Nevada statewide)	\$37.89
Hourly Wage (50% soc & human serv + 50% retail worker)	
Inflated Wages (Dec 03)	\$38.56
Wages * Staffing Level	\$38.56
Total Wages per Hour	\$38.56
Employee-Related Benefits per Hour (BLS data, 26.5%)	\$10.22
Total Hourly Compensation (Wages + Benefits)	\$48.78
Productivity Assumptions	
Total Hours	8.00
Records/Documentation	0.50
Training	0.02
Average on-site billable hours	7.48
Productivity Adjustment	1.07
Total Hourly Compensation after Productivity Adjustment	\$52.20
Administrative Overhead	
Administrative Costs (15% of wages + benefits)	\$7.83
Total Cost per Hour	\$60.02

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

To create the information in Table B.5, we updated the wage and benefits data to 2014 information from the U.S. Bureau of Labor Statistics (BLS). We maintained the assumptions about operations and overhead the same as shown in Table B.4.

As shown in Table B.5, the BLS finds the average U.S. benefit rates declined from 27 percent in 2003 to 26.5 percent in 2014. Some Nevada providers reported that their benefit costs increased to 35 percent in 2014. To create Table B.6, we use the same information as for Table B.5 but with a 35 percent benefit rate.

Table B.6: Costs for Nursing Staff, 2014 (with 35% benefit rate)

	Costs
Wages per Hour (BLS data)	
Direct Care Supervisor and Case Managers	
Staffing Level per Hour	0.00
Hourly Wage (Licensed Practical Nurse, Nevada statewide)	\$16.56
Inflated Wages (Dec 03)	\$18.40
Wages * Staffing Level	\$0.00
Direct Care Staff	
Staff Level per Hour	1.00
Hourly Wage (social & human serv asst, Nevada statewide)	
Hourly Wage (50% soc & human serv asst + 50% retail worker)	
Hourly Wage (Registered Nurse, Nevada statewide)	\$37.89
Hourly Wage (50% soc & human serv + 50% retail worker)	
Inflated Wages (Dec 03)	\$38.56
Wages * Staffing Level	\$38.56
Total Wages per Hour	\$38.56
Employee-Related Benefits per hour (Provider Reported, 35%)	\$13.50
Total Hourly Compensation (Wages + Benefits)	\$52.06
Productivity Assumptions	
Total Hours	8.00
Records/Documentation	0.50
Training	0.02
Average on-site billable hours	7.48
Productivity Adjustment	1.07
Total Hourly Compensation after Productivity Adjustment	\$55.70
Administrative Overhead	
Administrative Costs (15% of wages + benefits)	\$8.36
Total Cost per Hour	\$64.06

Sources: Nevada Provider Rates Task Force; Center for Business and Economic Research, UNLV

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