

## Literature review of the costs of institutional, group home and supported living services.

### Brian McClean

There is wide variation in costs across different organisations, and there is great difficulty accounting for this variation due to very low levels of rational resourcing. Felce, Jones, Lowe & Perry (2003) Rational resourcing and productivity: relationships among staff input, resident characteristics, and group home quality. *American journal of mental retardation* : *American Journal Of Mental Retardation* 2003;108(3):161-72. There is limited evidence of relationship between intensity of staffing and quality of outcome. Institutions may cost more **OR** less than group homes (although more studies report higher staffing levels and therefore greater costs in group homes). In general, studies in the UK and USA have found smaller, community-based facilities, costing 15 – 25% more to be linked with better outcomes (Knapp *et al.* 1992; Shiell *et al.* 1993; Cambridge *et al.* 1994; Raynes *et al.* 1994; Beecham *et al.* 1997; Felce *et al.* 1998; Rhoades & Altman, 2001), although it is difficult to ascertain which aspects of service processes and structures (and, by implication, cost elements) contribute towards favourable outcomes. Supported living models cost much less and consistently deliver better client outcomes (Stancliffe and Keane, 2000).

One study by Emerson, Roberston, Gregory, et al (2000); The quality and costs of community-based residential supports and residential campuses for people with severe and complex disabilities *Journal of Intellectual & Developmental Disability, Vol. 25, No. 4, pp. 263–279* compared the outcomes and costs of group home and residential campus living in the UK and Ireland. The support provided in dispersed housing schemes results in a markedly higher quality of life than the support provided in residential campuses, in areas like choice and community participation. There were significant between-model differences in the total costs of provision (provision in dispersed housing schemes costing approximately 28% or £266 more per week than provision in residential campuses. However, analysis of the relationship between costs and quality across participants failed to reveal strong associations (cf., Stancliffe & Lakin, 1998).

In another study, however, there was no difference between the costs of residential campuses and group homes, although there were marked differences between residential and group home options in terms of quality of life outcomes. (Hallam, Knapp, Järbrink, Netten, Emerson, Robertson, Gregory, Hatton, Kessissoglou & Durkan (2002) Costs of village community, residential campus and dispersed housing provision for people with intellectual disability *Journal of Intellectual Disability Research* 46, 394-404). The average cost per week of accommodation and associated care was £637 in village communities, £931 in residential campuses and £902 in dispersed housing schemes (costs in pounds sterling). This study was an economic evaluation of the factors associated with variation in the costs of different packages of care. Wide variations in cost were found, not only between models of accommodation, but between individual organizations, settings and service users. Only 33% of variation in costs could be explained. Multivariate analysis revealed that higher costs were associated with supports for people with higher levels of ID and more severe challenging behaviour. Generally, more sophisticated service processes within the setting were associated with higher costs; although systematic arrangements for supervision and training of staff had a lowering effect on cost.

In one well designed Australian study, costs and outcomes of group home and supported living services were compared. (Outcomes and costs of community living: A matched comparison of group homes and semi-independent living (2000; Roger Stancliffe and Sian Keane, *Journal of Intellectual & Developmental Disability, Vol. 25, No.4, pp. 281–305, 2000*) Most outcomes did not differ significantly by group. Where significant differences were evident, participants living semi-independently experienced better outcomes: significantly less social dissatisfaction, more frequent and independent use of community facilities, more

participation in domestic tasks, and greater empowerment. There were no outcomes with significantly better results for group home participants. The lower level of staffing provided to semi-independent participants was not associated with poorer outcomes. Per-person expenditure was substantially higher for group home participants. The annual direct staff cost residential cost was \$10,366 in group homes and \$53,105 in group homes. The annual total residential cost was \$14,602 in group homes and \$64,105 in group homes! In Ireland, full residential provision with sleepover may be worked out the formula:

*Wte X Salary x 1.35 (premia) x 1.25 (non pay) = €155,250 per annum*

*Waking staff costs an additional 62,000 per annum = €217,350*

The implication is that residential services cost significantly more in Ireland, with no systematic assurance of quality.