Strengthening the No Wrong Door Business Case: Developing a National Return on Investment

Return on Investment and the No Wrong Door Business Case

In partnership with ten state grantees (Connecticut, Georgia, Indiana, Maryland, New Hampshire, New York, Oregon, Virginia, Washington, and Wisconsin), the Administration for Community Living (ACL) developed four No Wrong Door (NWD) Return on Investment (ROI) calculators that can provide states with the evidence they need to more effectively market their services, compete in changing marketplaces, ensure funding for services, and help payers achieve quality goals and improve cost savings.

Return on Investment Development

The NWD Business Case was designed to demonstrate how NWD Systems empower individuals to access quality long-term services and supports (LTSS) in ways that meet their preferences and needs and delay or prevent the use of more costly services and supports. A strong business case for NWD Systems includes a set of communications, marketing tools, and resources with which to inform leaders and policymakers of the value and impact of the NWD System over time. One of the core goals of the NWD Business Case grant was to develop ROI calculators that validate the value of NWD System activities. These calculators are designed to be variable and allow for changing data, while also providing a tool that would enable states to collect, store, and leverage data to support the business case for the NWD System.

What is ROI?

ROI measures the dollars gained or saved for each dollar invested into a program and is used to show program benefits. ROI can be used to assess options and recommend solutions.

What ROI Calculators Were Developed?

- Person-Centered Counseling
- Hospital Care Transitions
- Institutional Care Transitions
- Veteran-Directed Care

Grantees worked with ACL to determine approaches, inputs, and data elements for prospective ROI calculators, including an inventory of available state data. Grantees performed a consensus building exercise to determine minimum specifications, add-on features and a "wish list" for the calculators that allowed ACL to prioritize four focus areas: Person-Centered Counseling, Hospital Care Transitions, Institutional Care Transitions, and Veteran-Directed Care. Throughout the development of the calculators, grantees continued to build consensus on populations and data elements and completed two testing phases for each calculator. ACL has since developed revised versions of each calculator based on grantee feedback with accompanying manuals and guidance documents.

Spotlight: Person-Centered Counseling Calculator

The Person-Centered Counseling Calculator is designed to calculate savings associated with increased community tenure as a result of the person-centered counseling (PCC) intervention. ROI for PCC is calculated by dividing the benefit minus the cost by the cost:

PCC ROI = (benefit – cost)/cost

Measure	Scenario
Follow-up period	90 days
Avg. Staff Hours per Client	15
Avg. Staff Cost per Hour	$45.00
Cost (per individual in the cohort)	$675
Avg. Mo. Cost: Providing At-Home Services/Supports	$4,500
Avg. Mo. Cost: Providing NF Services/Supports	$7,000
Avg. Percentage of Days Spent at Home: Cohort	83%
Avg. Percentage of Days Spent at Home: Comparison	50%
Savings (per individual in the cohort)	$2,467.11
ROI	**2.65**

The **benefit** is calculated by subtracting the average number of days spent in a nursing facility (NF) in the 90-day period following the first PCC intervention from 90 days and multiplying the difference by the average daily cost of nursing facility services in the state minus the average daily cost of waiver services in the state.

Intervention **costs** of PCC take into account the number of hours of PCC activity in a 90-day period for the specific population, the hourly cost of the NWD staff person providing PCC, and an indirect rate to account for administrative costs.

An example scenario using 2019 data for calculating ROI with the PCC Calculator is shown in the table above. For the purposes of this illustration, some details were excluded from the scenario, including additional costs or differences in costs associated with patients' payer types. In this scenario, a 90-day follow-up period is used to assess living settings, 15 hours are provided on average to each client, and the average staff cost per hour is $45. The average monthly costs of at-home and NF supports are $4,500 and $7,000, respectively. With PCC, 83% of individuals' time was spent at home (75 of the 90 days). The other 15 days were spent in NFs. Without PCC, a greater number of individuals with similar care needs would have entered NF, spending on average 50% of the 90-day window in NFs (45 days). This scenario resulted in an ROI of 2.65, meaning for every dollar that was invested into providing PCC, that dollar *plus* $2.65 was returned.

Interested in learning more about ROI?

- Reach out to NoWrongDoor@acl.hhs.gov to access the calculators and learn about additional resources to leverage ROI
- For additional information and resources on the NWD Business Case, check out the NWD System Business Case Toolkit
- To see how Virginia and Wisconsin leveraged Medicare and Medicaid data to strengthen the NWD Business Case, click here
- Click here to read about ROI innovations in Wisconsin and New York

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