

AVERAGE COST OF CARE

Consistency in the reporting of data by religious institutes is a value to NRRO. Increasing the accuracy of data enables a more consistent distribution of grants, helps identify services that will benefit institutes with specific needs, and gives a more accurate representation of the institutes' total net resources.

Varying organizational and management styles in religious institutes necessitates the modification of the standard form used to calculate cost of care. Along with the original form, two modifications are included to assist with the calculation of cost of care, breaking the cost down by levels of care. The style of the institute will determine which form or forms to use to calculate cost of care.

If an institute has developed internal processes for the ongoing calculation of cost of care into levels of care, and parallels the expense categories of the NRRO forms, this process can also be used to generate the information needed to complete the eligibility form.

Each form has the same intent: 1) to find the average cost of care for members age 70 years and above by care level, 2) to standardize the calculation of the average cost of care among religious institutes, 3) to assist persons responsible for the stewardship of community resources to consider all factors that impact the cost of care, and 4) to provide the information needed for effective long range planning.

FORM A is to be used for locations where care for retired members is provided. One form is completed for each location with retirement cost breakdowns. This form breaks costs into independent living, assisted living and skilled/intermediate care.

Step 3

Form A

**AVERAGE COST OF CARE
MULTIPLE LEVELS OF CARE AT LOCATION**

LOCATION						
V. Total Census of institute			% of total at location			
X. Census at this location			W1	#DIV/0!		
Y. Census at this location >=70 (Y.1+Y.2+Y.3)=			W2	#DIV/0!		
Y.1 Independent			W3	#DIV/0!		
Y.2 Assisted						
Y.3 Skilled/Intermediate						
Z. Total annual dollar amount in cost category. (Column 1 varies for each line item. Number 1 is the total administration expenses for the entire institute. All other categories are for the location.)						
		Total \$ Amount(Z)	Independent	Assisted	Skilled Intermediate	
1. TOTAL INSTITUTE ADMINISTRATION	1		#DIV/0!	#DIV/0!	#DIV/0!	
A. Total for location(Z/V * X): Column 1 only	1A.	#DIV/0!				
2. PERSONAL LIVING COSTS						
A. Personal needs	2A.		#DIV/0!	#DIV/0!	#DIV/0!	
B. Medical Expenses (after reimbursements)	2B.		#DIV/0!	#DIV/0!	#DIV/0!	
C. Housing	2C.		#DIV/0!	#DIV/0!	#DIV/0!	
D. Staff Salaries and benefits (not nursing)	2D.		#DIV/0!	#DIV/0!	#DIV/0!	
D.1 Replacement of community member staff	2D.1		#DIV/0!	#DIV/0!	#DIV/0!	
3. SPECIALIZED CARE FOR RETIRED (>=70)						
E. Salaries and benefits - support staff	3E.		#DIV/0!	#DIV/0!	#DIV/0!	
E.1 Replacement of community member staff	3E.1		#DIV/0!	#DIV/0!	#DIV/0!	
Refer to Page 8 for % to type of care						
Calculation: Ratio of nursing hours by type of care		Census	Hrs/Resident day	Total Hours	% attr. to type of care	
Skilled Care		0	4	0	#DIV/0!	
Assisted Care		0	1	0	#DIV/0!	
Total		0	5	0	#DIV/0!	
F. Salaries and benefits - lay nursing staff	3F.					
% of care to Assisted		#DIV/0!		#DIV/0!	#DIV/0!	
% of care to skilled/intermediate		#DIV/0!				
F.1 Replacement of community member staff	3F.1					
% of care to Assisted		#DIV/0!		#DIV/0!	#DIV/0!	
% of care to Skilled/Intermediate		#DIV/0!				
4. AVERAGE ANNUAL UPKEEP EXPENDITURES						
G.1 Building Improvements	4G.1		#DIV/0!	#DIV/0!	#DIV/0!	
G.2 Equipment	4G.2		#DIV/0!	#DIV/0!	#DIV/0!	
G.3 Automobiles	4G.3		#DIV/0!	#DIV/0!	#DIV/0!	
G.4 Local Administration expenses	4G.4		#DIV/0!	#DIV/0!	#DIV/0!	
G.5 Contracted services (food, nursing, etc.)	4G.5		#DIV/0!	#DIV/0!	#DIV/0!	
5. COST OF CARE CALCULATION FOR THIS LOCATION						
H.1 Total Expenses	5G.1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
H.2 Remove direct payments to care center from Medicaid, Medicare, Title 19, Title 18, or income from SSI for members age 70 and above (if not considered previously).	5H.2		#DIV/0!	#DIV/0!	#DIV/0!	
H.3 Net cost to institute (5H.1 - 5H.2 = 5H.3)	5H.3	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
H.4 Census (Col. 1 = "X", Col. 2,3,4 = "Yx")	5H.4		0	0	0	
H.5 AVERAGE COST (5H.3 / 5H.4 = 5H.5)	5H.5	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

DEFINITIONS FOR COST OF CARE WORKSHEET

Skilled/Intermediate care level - Care is provided for individuals with long-term illnesses or disabilities whose needs are met by appropriate health care personnel under the direction of a registered nurse. These individuals would normally be found in a nursing home setting.

Assisted care level - Care is provided for individuals who require some assistance in the activities of daily living. Examples of assisted living services are meal preparation, housekeeping and laundry services, assistance with bathing, and assistance with scheduling of physician appointments. Many of these individuals would be likely to live in larger, congregate settings.

Independent living - These are individuals who are capable of taking care of their own activities of daily living, are competent in decision making, and are able to carry out the normal problem-solving activities of daily life. These individuals often live in local groupings.

Full-time Equivalent: (FTE) - This calculates the number of full eight hour shifts that are worked, e.g. if two people each work 20 hours per week, that is the equivalency of one work week or one FTE employee.

General institute administration - These expenses of the institute support management and administrative services including funerals, general insurance, postage, office supplies, telephone, audit, legal and other professional services, administrative travel, meetings, and so on. For the purpose of this report, please do not include subsidies and transfers, discretionary donations, the costs of operating a development office, FICA payments for members, mortgage or loan payments, or expenses related to education, formation, associate or third order programs. Do not impute salary expenses for elected leadership unless the tasks or responsibility of the elected leader could be replaced by a lay employee. The total general administrative expense is allocated across the entire membership.

- A. Personal needs - Personal budget, food, clothing, travel expenses, spiritual, recreation, supplies and personal expenses
- B. Medical Expenses - Deductible, insurance premiums, self-insurance costs, direct payments to providers, pharmacy and medical supplies and equipment, net of reimbursement. Please include only the true costs of medical care to the congregation, i.e. medical reimbursements are deducted from medical costs. If medical expenses are inflated for retired members due to higher insurance premiums for active members, make the appropriate adjustment for your institution.
- C. Housing - Operating, maintenance of plant, rent, utilities, etc.
- D. Staff salaries - Payroll and benefit expenses for dietary, administration, housekeeping, maintenance, laundry, pastoral care, and human resources staff. Everyone at the location benefits from these services; not specific to retirement costs. Include a religious member's salary if it is currently included in the payroll.

- D.1 Replacement of community member staff - Any staff positions that are currently filled by institute members who would be replaced by lay employees if religious vacate these positions. Include those positions where lay employment is in the near future.
- E. Support staff and services - These services are more specific to members age 70+ whether independent, assisted living or skilled care; e.g. payroll and benefit expenses for administrator, clerical, activities director, unit clerk, physical therapist and aide, occupational therapist and aide positions. Include adult day care costs. Include a religious member's salary if it is currently included in the payroll.
- E.1 Replacement of community member staff - Support staff positions, not including those providing medical care, currently filled by institute members who would be replaced by lay employees if the institute members vacate these positions.
- F. Lay nursing staff - Salary and benefit expense for director of nursing, registered nurses, licensed practical nurses, licensed vocational nurses, certified nurse aides, nurse aides, and resident assistants. Include a religious member's salary if it is currently included in the payroll. These positions are more specifically geared toward the needs of the assisted living and skilled care residents. Estimate the proportion of these employees' time spent caring for the assisted living residents and the proportion spent caring for the skilled care residents. If this determination cannot be made, use a ratio of 4:1, i.e. four hours of skilled care for every hour of assisted care provided.

Example 1:

Type of Care	Census	Hrs/resident day	Total hours	% attributed to type of care
Skilled Care	1	4	$(1 \times 4) = 4$	$4 \div 5 = 80\%$
Assisted Care	1	1	$(1 \times 1) = 1$	$1 \div 5 = 20\%$
Total	2	5	$(4 + 1) = 5$	100%

Example 2:

Type of Care	Census	Hrs/resident day	Total hours	% attributed to type of care
Skilled Care	66	4	$(66 \times 4) = 264$	$264 \div 354 = 75\%$
Assisted Care	90	1	$(90 \times 1) = 90$	$90 \div 354 = 25\%$
Total	156	5	$(264 + 90) = 354$	100%

Calculation:

Type of Care	Census	Hrs/resident day	Total hours	% attributed to type of care
Skilled Care				
Assisted Care				
Total				

- F. 1 Replacement of community member staff - Imputed cost for director of nursing, registered nurses, licensed practical nurses, licensed vocational nurses, certified nurse aides, nurse aides, and resident assistant positions currently filled by community members who would be replaced within 5 years by lay employees if community members vacate these positions.
- G. Upkeep expense - Average cash outlay pertinent to the location for building improvements, large equipment and automobiles used in the care of retired members. Do not include the entire fleet of cars, just those used by/for members age 70 and above. This does not include the cost of new buildings or extraordinary costs that would make this year appear unusually high in these types of expenditures. Large capital expenses/improvements should be amortized on a depreciation scale. The depreciation figure from the audit/review may be substituted if this is a more realistic figure.