

THE REAL COST OF DELIVERING HOME AND COMMUNITY-BASED SERVICES (HCBS)

What it takes to operate a compliant, high-quality Colorado Provider Agency

THE BOTTOM LINE

When policymakers focus only on face-to-face service time, they might miss the workforce, compliance, clinical, technology, and operating costs that make every hour of care possible.

Provider agencies recruit, train, supervise, and support workers; maintain clinical and quality oversight; meet federal and state Medicaid requirements; comply with regulations across multiple departments; document and bill correctly; protect sensitive information; and keep the organization financially and operationally sound.

DIRECT SERVICE COSTS INCLUDE:

Wages and paid time

- Hourly wages and contract payments; overtime, holidays, shift differentials, sick leave, and paid time off
- Travel and mileage, show-up time when a Medicaid member is unavailable, leave coverage, and staff phone reimbursement

Benefits

- Health, dental, vision, and short-term disability coverage
- Retirement contributions, matching, recordkeeping, audit and advisory fees
- Recruitment, sign-on, appreciation, retention, and performance bonuses

Taxes

- Social Security and Medicare payroll taxes; federal and state unemployment; FAMILI; and workers compensation

WHY THIS MATTERS

A direct care hour carries substantial cost beyond the worker's wage. Required leave, travel, training, supervision, taxes, insurance, screening, and benefits are part of delivering the service safely and reliably.

THE INFRASTRUCTURE BEHIND EVERY HCBS SERVICE

Provider agencies must maintain a complete operating system around their workforce

Administrative costs are the infrastructure required to deliver high-quality services safely, compliantly, and reliably.

Compliance and regulatory oversight

- Human Rights Committee compliance, incident reporting, 24/7 critical-incident response, investigations, corrective action, and trend analysis
- HIPAA and OSHA compliance and annual training or reporting, ADA compliance, EEOC reporting, and federal False Claims Act and billing compliance
- Provider revalidation, annual licensure, accreditation, post-payment audits, wage attestations, and contractor monitoring
- HUD reporting, audits, and certifications
- Direct care time monitoring (including caregiver limits), coordination across agencies, Tax Credit and Base Wage reporting, and Wage & Hour compliance

Quality and clinical oversight

- Quality management plans, survey management, outcome-improvement initiatives, contractor and partner-agency compliance monitoring, and supervisory observation
- Nursing support and 24/7 on-call clinical oversight

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Alliance is a nonprofit, statewide association comprised of Intellectual and Developmental Disability (IDD) Provider Agencies, Case Management Agencies, Early Intervention Brokers, businesses serving the IDD community, and disability advocacy organizations. Together, our members serve over 50,000 people with disabilities and employ over 10,000 professionals to support them.

For more information, contact info@alliancecolorado.org or visit us online at www.AllianceColorado.org



THE INFRASTRUCTURE BEHIND EVERY HCBS SERVICE, CONTINUED

- Case Management Agency coordination, intake and navigation, client advocacy, translation and interpretation, and stakeholder communication
- Dedicated trainers, equipment, training software access, and accessibility measures

Technology and information security

- Computers and accessories, tablets, phones, fixed-visit devices, network infrastructure, and device replacement
- Electronic Visit Verification (EVV), LTSS documentation, HR, customer relationship management, accounting, and enterprise systems
- Software subscriptions, e-signature, secure fax, communications tools, email and operating system, IT staff and support, cybersecurity, backups, and secure record retention

Operations and administration

- Office and program space, utilities, fire inspections, maintenance, snow removal, supplies, postage, janitorial services, and physical record storage
- Payroll, billing, accounts payable and receivable, banking fees, prior authorization follow-up, tax preparation, financial reporting, solvency reviews, and annual financial audits
- Representative payee and personal-needs accounts management, participant-elected transportation, annual client redetermination assistance, Specialized Community Connector services, pharmacy administration, and living-expense management
- Executive and administrative leadership, governance, legal and consulting services, professional dues, publications, fundraising, and grant administration
- Vehicles, fuel, maintenance, annual inspections, supervisory travel, EVV operational management, program activities, depreciation, interest, and local taxes
- Human Resources department and associated compliance
- Corporate Insurance including general and professional liability, property, cybersecurity, auto, commercial umbrella, crime, management liability, and abuse and molestation insurance

Screening onboarding and readiness

- Background checks (cost between \$35-75 per check), CAPS checks (\$9.97 per check), TRAILS check* when required (\$37), county or multistate criminal background checks, and Social Security number verification
- TB testing*, hepatitis B vaccination*, flu-vaccine reporting*, and other license-dependent health requirements and fees
- Personal protective equipment, identification badges, orientation, and initial competency validation
- Initial and monthly Medicaid and Medicare fraud-exclusion checks
- Paid training, including: Know Your rights, person-centered thinking, HCBS settings, HIPAA, Federal False Claims Act, mandatory reporter and person-specific training, CPR, First Aid, QMAP, behavior management and safety, and associated Train-the-Trainer costs.

Workforce infrastructure

- Recruitment, interviewing, advertising, job fairs, applicant tracking, and volunteer management
- English as a Second Language and other language supports
- Supervision, workforce development, performance management, employee engagement, and retention programs
- Workplace accommodations and accessibility supports

Financial risk

- Unreimbursed administrative time, delayed claims or authorizations, and lost productivity due to system complexity
- Write-offs caused by Medicaid eligibility gaps, nonpayment, or changes applied after services are delivered
- Costs that continue even when utilization changes, *i.e.*, all fixed overhead including facilities, technology, clinical coverage, insurance, compliance, and workforce capacity

*Dependent on Licensure type

THE TAKEAWAY

When rates do not recognize this infrastructure, agencies must reduce capacity, postpone essential investments, or absorb costs that threaten workforce stability and access to services. **Provider rates must account for the full, reasonable cost of operating a safe and compliant HCBS agency—not only the minutes of face-to-face care.**

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