

The Cost of Moving Forward: Calculating the Cost of Short Break/Respite Services



MaryJo Alimena Caruso,
T/TA Coordinator FRIENDS NC for CBCAP
www.friendsnrc.org mjcaruso@friendsnrc.org USA



Cassandra Firman,
Senior ARCH Staff, ARCH National Respite Network
www.archrespite.org cfirman@friendsnrc.org USA



With
Catharine Shanahan,
Family Respite Services, Windsor Essex, Ontario Canada
cshanahan@familyrespice.org, Canada

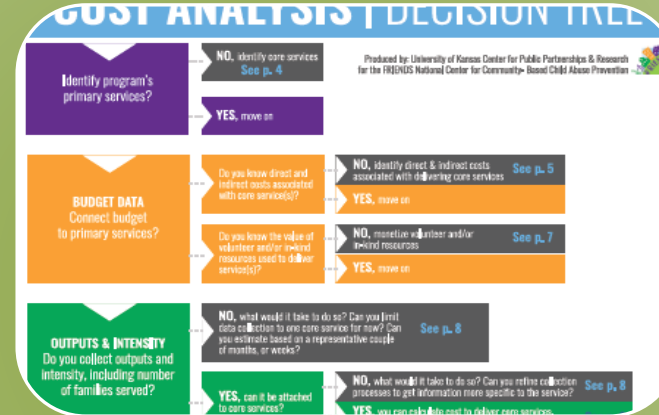
Cost VS Value



The FRIENDS Cost Analysis Template Adapted for Respite



Overview of cost analysis



Orientation to FRIENDS cost analysis resources

| | Funding | Direct costs |
|--|---------------|--------------|
| Case management <i>Direct costs</i> \$400,000 | | \$200,000 |
| | X 60% = | X 50% = |
| | \$120,000 | \$100,000 |
| | + \$400,000 = | |
| Total cost to deliver service | \$520,000 | \$500,000 |
| Parent education <i>Direct costs</i> \$250,000 | | \$200,000 |
| | X 30% = | X 25% = |
| | \$60,000 | \$50,000 |
| | + \$250,000 = | |
| Total cost to deliver service | \$310,000 | \$300,000 |
| Public awareness <i>Direct costs</i> \$250,000 | | \$200,000 |
| | X 10% = | X 25% = |
| | \$20,000 | \$50,000 |
| | + \$250,000 = | |

Demonstration of the materials adapted for respite programs

What questions would you like to answer about the costs of providing respite or short break services?



What is the true cost of providing service?



How do respite or short break costs compare to other services with similar goals?

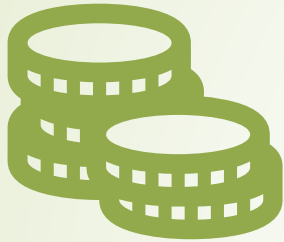


What costs are we avoiding down the road by providing short breaks now?



How does program design affect my costs?

What is cost analysis?



Used to identify the full cost of providing a service, including:

direct costs
indirect costs



More sophisticated analyses estimate:

cost avoidance
return on investment

Resources from
FRIENDS
National Center
for CBCAP

- **Materials on cost analysis will help respite programs:**
 - **Collect appropriate data**
 - **Produce accurate estimates for cost of delivering services**
 - **Estimate cost avoidance and/or return on investment**

Cost Analysis:

Why do it?



Often a requirement



Expands awareness of revenues with costs



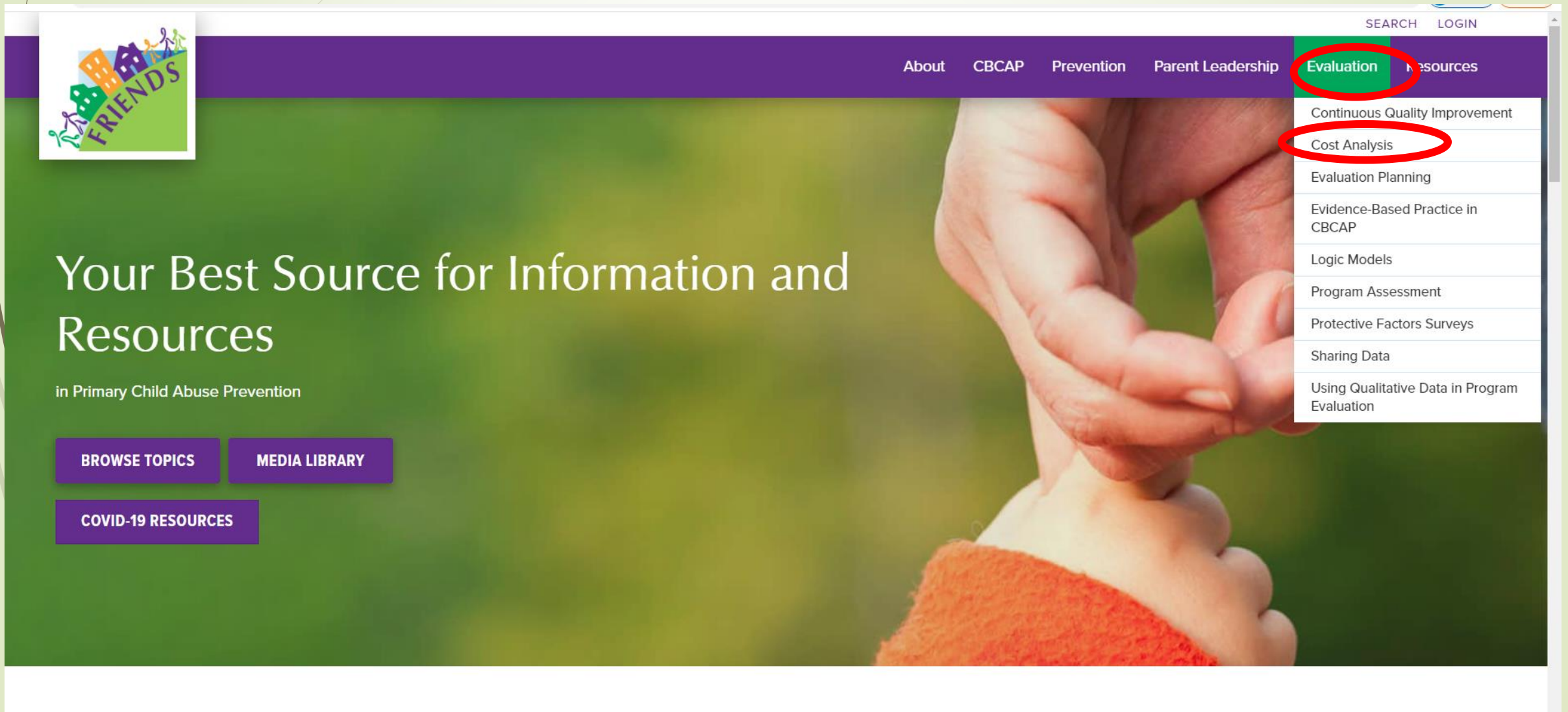
Cost is a metric everyone understands




Informs discussions about value, particularly in the context of scarcity

Where to find the Cost Analysis Toolkit

<https://friendsnrc.org/activities-that-support-collaboration/cost-analysis>





SEARCH LOGIN

About CBCAP Prevention Parent Leadership **Evaluation** Resources

- Continuous Quality Improvement
- Cost Analysis**
- Evaluation Planning
- Evidence-Based Practice in CBCAP
- Logic Models
- Program Assessment
- Protective Factors Surveys
- Sharing Data
- Using Qualitative Data in Program Evaluation

Your Best Source for Information and Resources

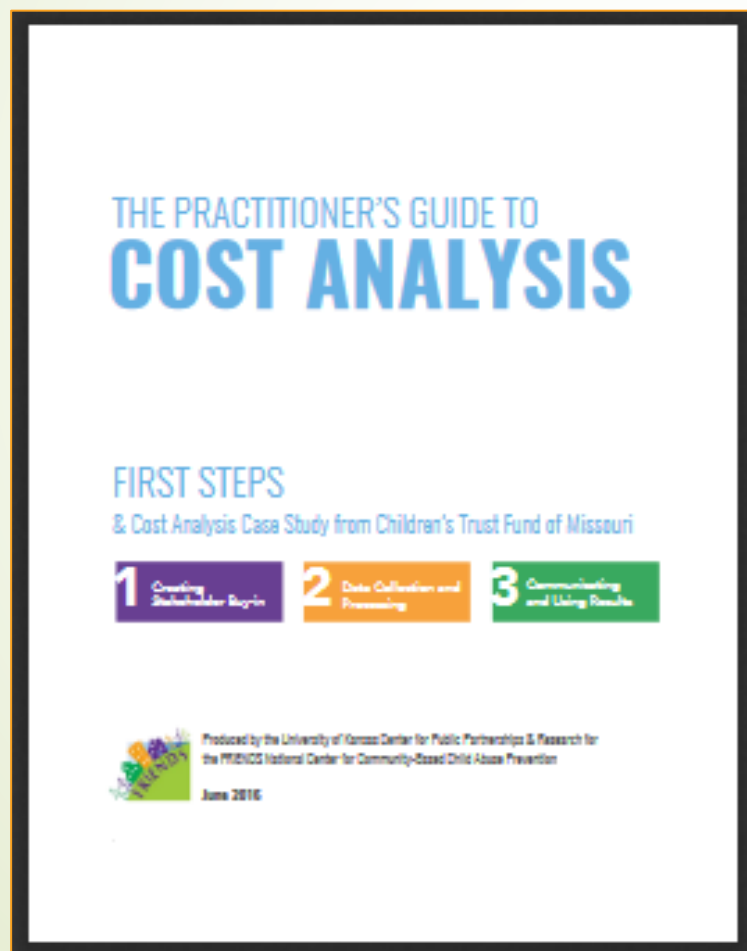
in Primary Child Abuse Prevention


BROWSE TOPICS **MEDIA LIBRARY**

COVID-19 RESOURCES

FRIENDS' Cost Analysis materials


The Practitioner's Guide to Cost Analysis: First Steps





Creating stakeholder buy-in


- Key points:
 - Discuss the process with service providers and other stakeholders ahead of time
 - Identify how data will be analyzed and reported
 - Protect confidentiality and establish clear parameters for data access



Data collection and processing

➤ Key points:

- Use existing data sources where possible
- Ensure all costs (direct and indirect) are accurately and fully representative
- Identify outcomes you currently or would like to measure. Consider how they could be attached to cost



Communication and using results

➤ Key points:

- Involve participants in the process
- Look for savings to the community, state, or society at large
- Examine data on program impact and effectiveness
- Try using social math as a way to communicate numbers meaningfully

Federal Spending in 2017

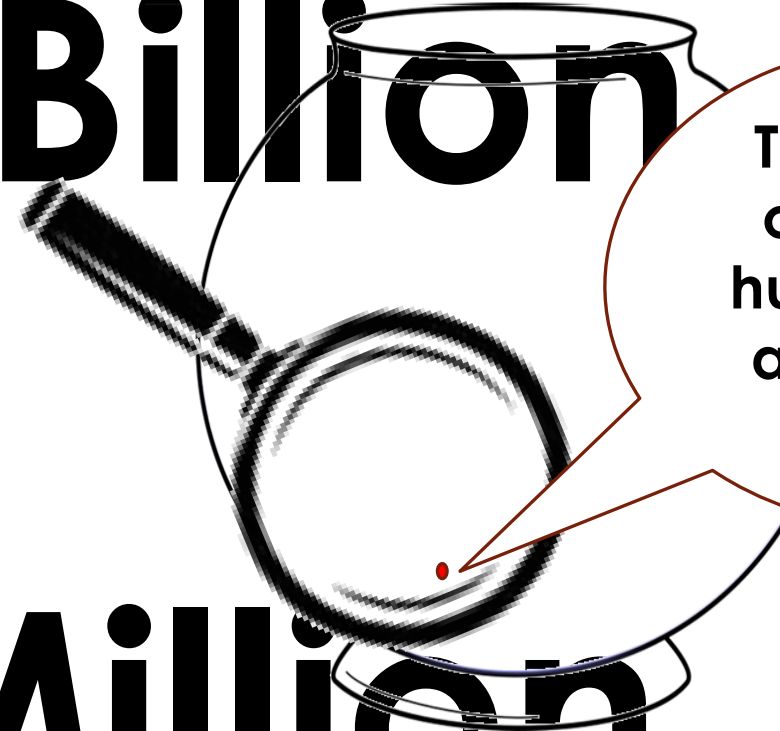


12.7 Billion

24 Million

Child Welfare, (Child Protective Services and Foster Care)

12.7 Billion Dollars



That's what one three-hundredth of a jellybean looks like

Primary and Secondary Child-Abuse Prevention
<40 Million Dollars

What do we mean by 'Social Math'?

Example: Pennsylvania



The average annual cost of a Nursing Home placement
(\$111,324)

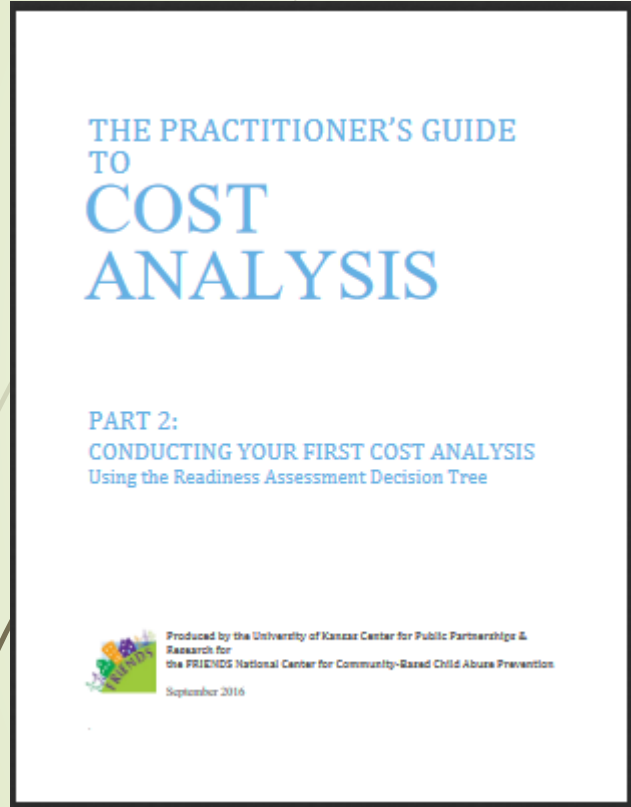


The annual cost of 10 hours of weekly respite at \$23 per hour.
(\$11,960 per year)



That's a lot of left-over jellybeans

The Practitioner's Guide to Cost Analysis Part 2:



Conducting Your First Cost Analysis

Costing template in excel and calculating pdf formats*

*The forms adapted for respite programs must be downloaded from this webinar.



PART 2 Overview

- ➡ Sections include:
 - Direct, indirect, and in-kind costs
 - Calculating cost to deliver services
 - Calculating cost per outcome
 - Calculating cost avoidance
 - Readiness assessment decision tree

Demonstration: The Costing template (and how to use it)

COST ANALYSIS | DIRECT COST FORM

NOTE

This template was created as a companion to The Practitioner's Guide to Cost Analysis, Part 2: Conducting Your Full Cost Analysis, which is available via the FRENDS National Center website, www.friends.org/activities-that-support-collaboration/cost-analysis. Please consult this guide for more information about calculating number of families served and dosage.

INSTRUCTIONS | CALCULATING FAMILIES SERVED

This template is designed to calculate the number of families served by a service, net of dosage. It is not always necessary to make this calculation, depending on the nature of the service and the goals of your analysis. If you do not wish to calculate families served in proportion to dosage, you may skip this section and go directly to the section calculating the cost of delivering services.

In the field to the right of "Total families," enter the total number of families who participated in this particular service.

In the field to the right of "Full dosage," enter the intended dosage associated with this service. For example, for a parenting class that lasts for 10 weeks, you would enter 10. Note that if you do not enter a figure in this field, the formulas below will not be able to function.

In the section below, enter number of families by the amount of dosage.

Do not enter anything in the fields titled "% of total dosage" and "families served." These fields contain formulas which will automatically populate as you enter number of families and dosage received.

EXAMPLE

In the example here, the full intended program dosage was 8 weeks. 10 families participated all 8 weeks.

5 families missed only one week, and 3 families missed 2 weeks. 4 families attended for 2 weeks, and 3 families dropped out after the first week.

At the bottom, the sheet will total number of families served, net of dosage.

| | |
|----------------|----|
| Total families | 10 |
| Full dosage | 8 |

| Number of families | dosage received | % of total dosage | families served |
|--------------------|-----------------|-------------------|-----------------|
| 10 | 8 | 100% | 10 |
| 5 | 7 | 88% | 4.375 |
| 3 | 6 | 75% | 6 |
| 4 | 5 | 63% | 2.5 |
| 3 | 1 | 13% | 0.375 |

| | |
|-----------------------|-------|
| Total families served | 23.25 |
|-----------------------|-------|

FILL IN THESE BOXES

THESE BOXES AUTO-POPULATE

Cost Analysis Rules

- **When in doubt, choose the conservative option.** It is always better to overestimate the cost of your service and underestimate cost avoidance.
- **Document, document, document!** Keep notes on the sources of all data you use, all calculations you perform, and all decisions you made and the reasoning behind them.

Final thoughts

- **Your estimates are as good as your data.** Most cost analyses involve thoughtfully incorporating multiple sources of data. The more complete your data are, the better your estimates will be.
- **Don't let the numbers speak for themselves.** Contextualize and communicate the meaning of your results -- your audience probably doesn't know what is "good," reasonable, or typical.
- **Costs are investments.** Find a way to convey what we (the funder, the community, etc.) are getting for investing in your program.

A Cost Tool from Scotland



Short Breaks Fund

Resources

Respite

Unit Costs

Shared Care Scotland has developed a tool that will reduce the number of calculations required to work out the unit cost of your service.

If you use it and find a problem that we have not foreseen then please let Kate know on kate.hogarth@sharedcarescotland.com

[Download the Unit Cost Tool](#)

<https://www.sharedcarescotland.org.uk/resources/tools/unit-costs/>

Contact us with questions!

Cassandra Firman
ARCH National Respite Network
Cfirman@friendsnrc.org

This project was supported, in part by grant number 90LRLT0001, from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, D.C. 20201. Grantees undertaking projects with government sponsorship are encouraged to express freely their findings and conclusions. Points of view or opinions do not, therefore, necessarily represent official ACL policy.

MaryJo Alimena Caruso
FRIENDS National Center for CBCAP
mjcaruso@friendsnrc.org

Catharine Shanahan,
Family Respite Services, Windsor Essex, Ontario Canada
cshanahan@familyrespite.org, Canada

- The Cost Analysis Toolkit can be accessed (free of charge) here: <https://friendsnrc.org/evaluation/cost-analysis/>
- The template for calculating short break or respite costs is downloadable from the ISBA conference website.