

TO: Health Access Oversight Committee
FROM: Peter Cobb, Vermont Assembly of Home Health & Hospice Agencies
RE: Comments on the CFC Program
DATE: September 6, 2013

Please consider the following comments in response to the memo from Jennifer Carbee, from the members of the Vermont Assembly of Home Health and Hospice Agencies, Vermont's 11 not-for-profit home care and hospice agencies. We look forward to talking with you at your September 12 meeting. Judy Peterson, the CEO of the VNA of Chittenden and Grand Isle Counties, and Sandy Rousse, CEO of the Central Vermont Home Health and Hospice, will join me for this discussion.

Memo from Jennifer Carbee

The Health Care Oversight Committee would like feedback from the AAAs, home health agencies, and adult day centers regarding your (or your clients') experience with wait lists for home- and community-based services. How long do clients spend on them? What services are they able or unable to receive while waiting? What else would you like the Committee to know about wait lists or about Choices for Care generally?

In addition, the Committee is interested in your recommendations for how DAIL should reinvest some or all of the \$6 million in Choices for Care "savings" from FY 2013. What would you suggest?

Moderate Needs Wait List - Like you, VAHHA members are concerned about the Moderate Needs Group Wait list of the Choices for Care program. We agree that Vermonters who need and qualify for homemaker services deserve to get the assistance they need to help them stay in their own homes. VAHHA members are committed to making sure this program helps as many Vermonters as possible.

As you know, the MNG wait list has been discussed for several years. For those in need, any delay is too long. It is important to note, however, that there is no wait list whatsoever for the highest needs group. In addition, some of the people on the current list are not eligible for Moderate Needs funds and for many of the rest on this list who are Medicaid eligible, limited funding is the main reason they are not being served.

The current wait list has two problems. The first is that many people on the list are not eligible for Medicaid, but are put on the list to hold a spot for future need. The VNA of Chittenden, for example, currently reports 152 on the wait list but two thirds of them are not Medicaid eligible and the rest are on the list due to limited funds from the State. The VNA & Hospice of Vermont and New Hampshire, which serves 85 towns along the Connecticut River, has had 85 people on the wait list dating back to 6/18/2010, but only 16 were Medicaid recipients while the other 69 were not Medicaid eligible. The Lamoille agency reports 10 people on its list, only one of whom is Medicaid eligible. Most of the other agency reports are similar.

Clients usually spend anywhere from three to 36 months on the wait list if they are Medicaid eligible. Therefore, it is important that the agency place someone on the list whom the staff has a reasonable expectation that, in a year or two, will need homemaker services.

The other problem with the wait list is that some agencies have spent all their available funds. If there were a timely process to re-allocate funding to where the need was greater, more individuals could be served. For those on this wait list but not eligible for state funds, the agencies offer private duty services to meet their homemaking needs.

Earlier this year, VAHHA met with representatives from DAIL to better understand the wait list. We agree that a more accurate count is needed to separate those whose needs are real and immediate, from those who are planning for future need. That work has not yet been finished. A more accurate list would help the State, providers, and advocates better understand and serve those in real need.

Moderate Needs Work Group - VAHHA members believe that the first priority for DAIL should be to convene a Moderate Needs Work Group to cooperatively work with the Department on how the unspent MNG funds should be spent. This collaborative process would assure that all the providers and advocates are heard.

Different Payment System for Choices for Care - Some of the problems associated with the wait list are created by an out-of-date payment system. CFC payments are made on a fee-for-service basis which does not allow the agencies to manage each patient's needs. As part of health care reform and payment reform, freeing up some funds for use outside the current payments limitations would lead to a more person-centered and outcome-based program and away from rigid, fee-for-services restrictions.

We recommend that DAIL develop a different funding mechanism to allow the agencies to better manage the CFC program and serve more people and get better outcomes. For example, changing from fee-for-service to monthly, per-person payments would reduce the administrative burdens both on the State and the agencies and would allow the agencies to focus more on outcomes and patients' needs. A more flexible approach would include not only services to meet the health care needs but also give the agencies the ability to provide, either directly or by contract, for other important needs such as mental health or other services that would help a patient stay home. This could be done as a pilot program.

Flex Funds - Limitations of Medicare and Medicaid funding often leave significant client needs unmet. Medicare's "homebound" requirement alone means that some people with serious, on-going long term care needs do not get those needs met. This can lead to unnecessary rehospitalizations or deterioration in the person's condition. Once deterioration has occurred the patient is eligible to receive more expensive care, which is counter-productive and not consistent with the goals of health care reform. Even the flexibility of Choices for Care often does not meet certain needs including for nutrition, housing, assistive technology, transportation or supervision.

The state should create a flexible fund that could be used to fund innovative services for at-risk individuals. If each HHA had flexible dollars to fund services that are not now covered by

Medicaid or Medicare, we believe this would help avoid unnecessary hospitalizations and nursing home placements.

The fact that DAIL is estimating \$6 million in savings in the CFC program offers a tremendous opportunity to fill some of those gaps and really have an impact on Vermonters' well being and independence. Gap filling flexible dollars could be viewed as an investment: outcomes could be tracked and measured, and resulting savings could turn into permanent flexible funds.

VAHHA proposes to utilize \$1.5 million for such flexible services. VAHHA members would divide the funding up equitably based on demographics and need. VAHHA would report on how the funds were used, by area, including measuring outcomes when possible. VAHHA proposes to work with AHS and DAIL to identify savings from the use of these funds including delayed or prevented nursing home stays, hospitalization, ER visits and other costly services.

VAHHA also proposes to partner with the Community Health Teams in prioritizing the use of these funds.

Reinvestments - VAHHA members support adequately funding existing health care program and infrastructure rather than developing new programs. We support adding more money to the Moderate Needs funds to provide services to those truly in need. This amount would be determined by the Moderate Needs Work Group.

- Current providers - Home Health Agencies, Area Agencies on Aging, Adult Day Services - have proven records of providing high quality services.
- Funding the current program is the fastest way to get services to individuals who need them.
- It decreases administrative duplication and increases cost efficiency.
- It reduces the need for additional oversight by the State for additional programs and providers.

Reallocation - From the beginning of the homemaker program in 1979 to just a few years ago, representatives from the home care agencies and the State met each January to reallocate funds to agencies in need of extra money from agencies which had not spent their entire 6-month allotment. Funds were reallocated in FY 2013 but this was not done until very late in the year when the impact was minimal. VAHHA recommends that the State work with the agencies to create a new, more appropriate allocation formula, based on current demand and demographics, and also reallocate funds no later than January of each year.

Thank you for this opportunity to comment on this very important issue. Should you have any questions, please call me at 802-229-0579.