

Testimony to House Appropriations – February 25, 2015

Nancy Rockett Eldridge, CEO, Cathedral Square Corporation

Thank you for the opportunity to testify. I appreciate the very difficult budget situation our state faces and the hard choices you must make. I would like to comment on the Governor's recommended budget support for the Vermont Housing & Conservation Board and for the Blueprint for Health and its SASH – Support And Services at Home initiative.

Vermont Housing & Conversation Board

Cathedral Square owns or manages twenty-one affordable housing communities made possible in part with VHCB funding. This includes assisted living for Medicaid beneficiaries that may otherwise be in a nursing home at twice the cost to Medicaid. It includes South Burlington Community Housing, a collaboration with the State of Vermont and the VNA of Chittenden and Grand Isle Counties, providing housing to young adults that require at least 4 hours per day of personal care. These Vermonters would be in a nursing home without this independent housing option.

Recently CSC completed a renovation of Richmond Terrace utilizing VHCB funds. The energy improvements included solar panels and other energy efficiency upgrades that are expected to reduce utility costs and consumption of energy by 17%. In this way VHCB funding is reducing the carbon footprint – AND providing affordable housing to those that might otherwise be in a residential setting much more costly to the state.

Our last two affordable housing communities were Thayer House in Burlington and Wright House in Shelburne. Both are intergenerational neighborhoods with specific attention to mitigating the impact of storm water run-off on our lakes and waterways. At Thayer we built a Rain Garden, where the old DMV parking lot used to exist. At Wright House we included a green roof, absorbing some of the rain water, and a rain collection tank in the garage – saving rain for use to water resident gardens.

VHCB has leveraged millions of dollars in federal funds and tax credits. Our most recent project cost \$9.3M where VHCB funding leveraged \$6.5M in equity through the 9% tax credits plus a USDA Rural Development capital grant with rent subsidies.

The Governor has called for level funding of VHCB at \$12.15 M in General Fund and \$2.8M in capital funds for each of the next two years. This investment reduces institutional costs that Medicaid would otherwise cover at twice the cost, it contributes to Vermont's environmental protections, and it leverages millions of federal funds for the benefit of Vermonters.

Blueprint for Health and Support And Services at Home (SASH)

The Governor has recommended the first increase in Blueprint funding for the first time since its inception. The additional funds would support medical homes and Community Health Teams. In addition, the Governor has recommended level funding at \$1,026,155 to support SASH. SASH is an extender to the Blueprint for Health. SASH is embedded in affordable housing across the state – in

housing owned by 21 public housing authorities or nonprofit housing providers such as the Rutland Housing Authority, Barre Housing Authority, Four Winds in St. Albans, the Darling Inn in Lyndonville, and many other locations in all counties. SASH is a team model of care that draws on the expertise of home health, area agencies on aging, mental health agencies, hospitals and other providers to support high need individuals with a very efficient and flexible model of care.

SASH will bring \$3.78 Million in new federal Medicare funds to Vermont this year. These do not require a state match. These are funds that provide care management and wellness nurse support to the highest need individuals in our state. According to a national study conducted by the Lewin Group in 2014, residents of HUD assisted housing are more likely to have 5 or more chronic conditions and therefore are more likely to incur more costs in Medicaid and Medicare.

SASH was evaluated by the federal Agency of Health and Human Services and the Department of Housing and Urban Development. The rigorous study concluded that SASH is resulting in lower overall Medicare spending and in post-acute Medicare spending. By the second year of program participation, on average participants were spending approximately \$1,800 - \$2,200 less than control groups in New York and Vermont. This is important for the three Medicare Accountable Care Organizations in this state that must achieve savings.

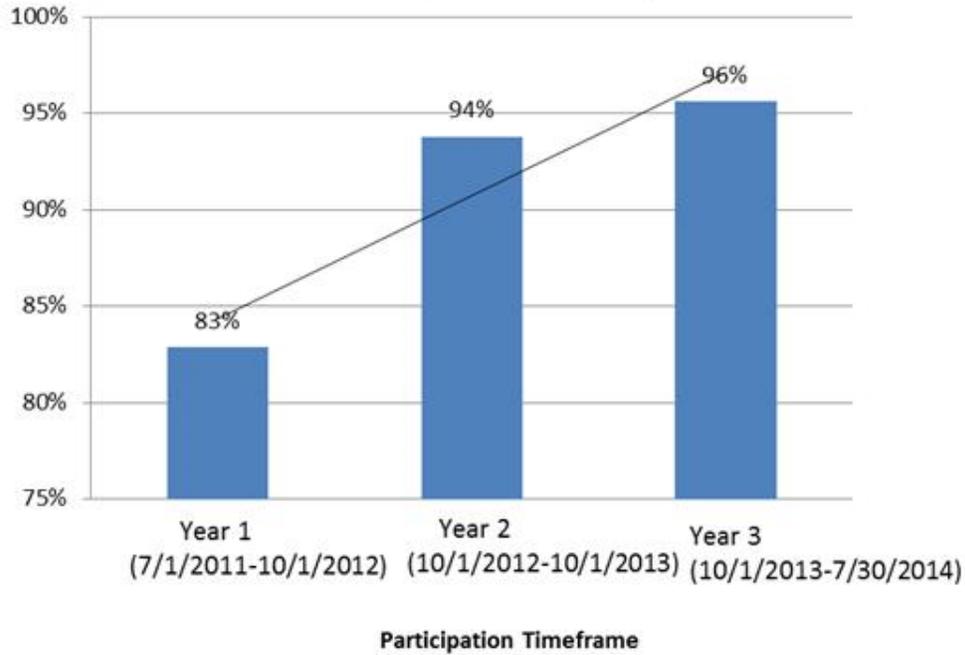
As you can see from the charts below, SASH is also having positive impacts on increased access to care and improved health. This data comes from the state's Central Clinical Registry where all SASH data is entered and aggregated.

We are doing a lot that is right in Vermont. Thank you for considering level funding of VHCB and SASH, programs that are having a real impact on Vermonters.

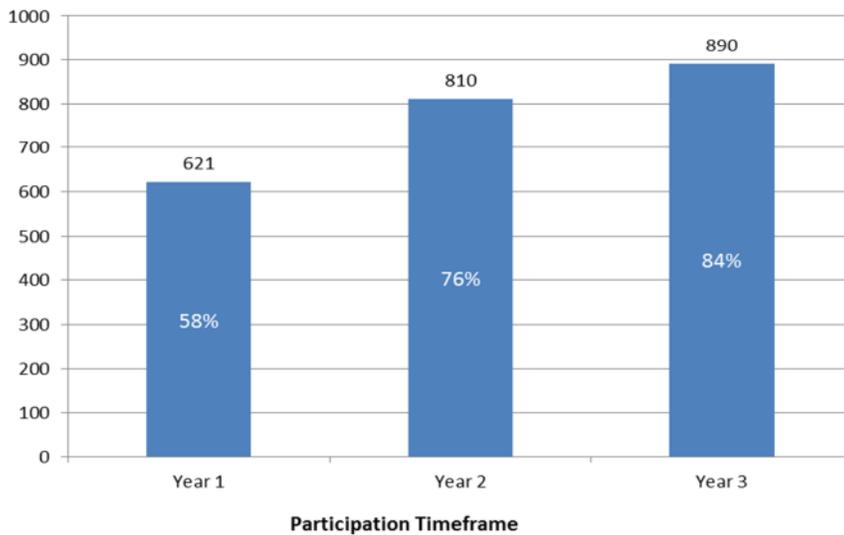
Thank you very much.

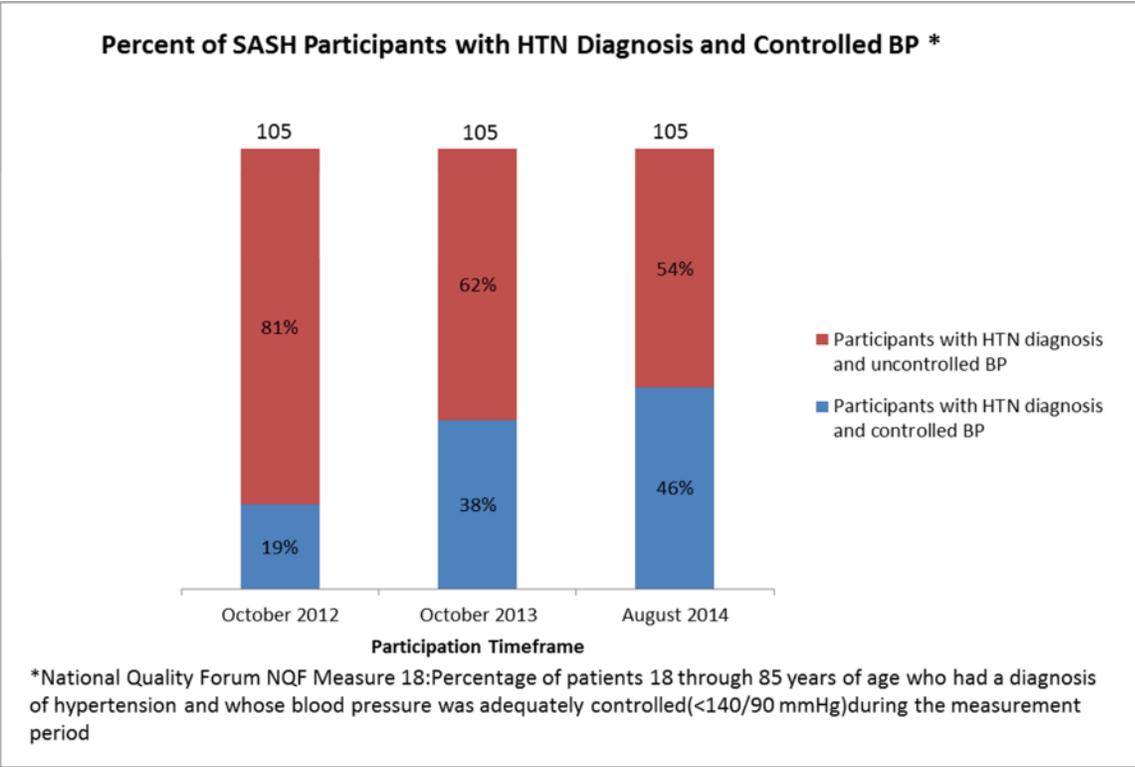
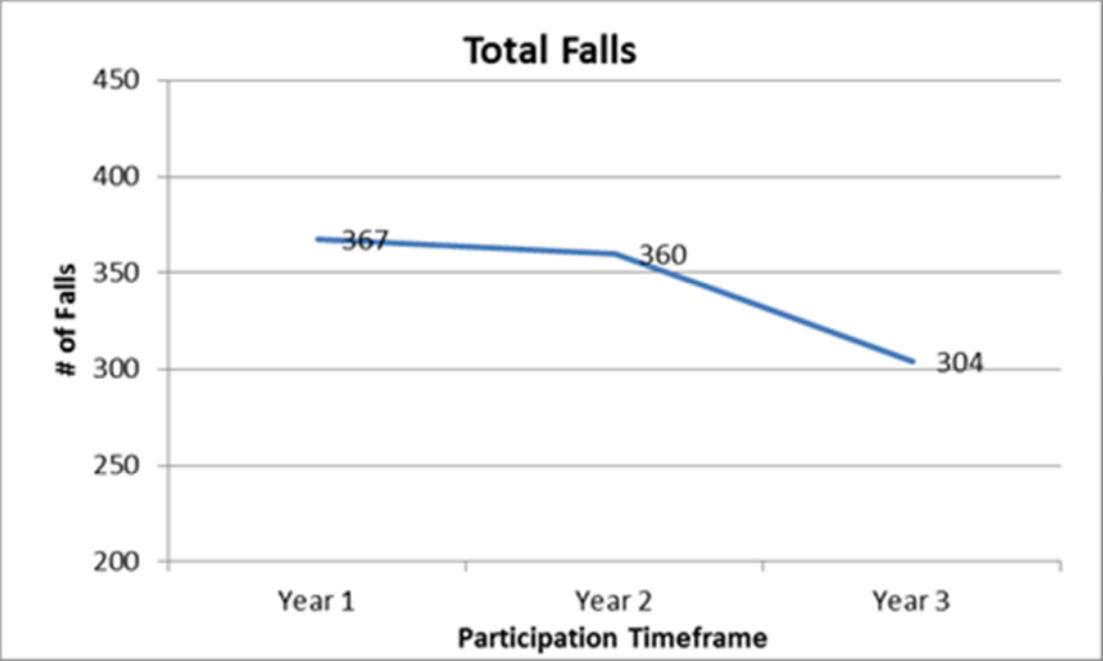
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Number of SASH Participants w/Primary Care Provider



Number of SASH Participants with Reported Flu Vaccinations





SASH 3RD PARTY EVALUATION SUMMARY

- US HUD and US HHS jointly contracted with RTI International, an international research firm, to determine whether Vermont's SASH program reduces Medicare expenditures for SASH participants living in HUD properties.
- The evaluation concludes that ***“the SASH program reduced the rate of growth in total Medicare expenditures and expenditures for post-acute care among SASH participants residing in SASH properties that implemented their program before April 2012 and relative to both comparison groups.”***
- The key qualitative finding is that SASH successfully integrates services across community based organizations and links care teams to primary care practices, hospitals and Community Health Teams: ***“The major SASH program implementation success has been the linkages the program has created among different community organizations”***. Sixty-five partner agencies are working together to fill gaps and eliminate duplication, modeling the Administration's health reform vision.
- The evaluation finds that savings begin to appear in the second year of operation of a SASH panel, reflecting the time-intensive intake and assessment process that occurs in year one. **The Medicare savings in year two more than pay for year 1 and 2 Medicare investments in SASH.**
- The savings SASH produces are relative to two control groups: a demographically similar group of rural, upstate New York Medicare beneficiaries living in HUD-funded properties who are not SASH participants and who are not part of an MAPCP innovation program like Blueprint, and Vermont Medicare beneficiaries who live in HUD-funded properties and are included in a Blueprint medical home but are not SASH participants.

SASH vs. Upstate NY control group

- Savings of \$183.10 per member per month (PMPM) **or \$2197 per person per year in total Medicare expenditures**
- Savings of \$125.08 PMPM or \$1501 per year in Acute Care expenditures
- Savings of \$59.69 PMPM or \$716 per year in post-Acute Care expenditures

SASH vs. non-SASH VT control group

- Savings of \$146.32 PMPM **or \$1756 per person per year in total Medicare expenditures**
- Savings of \$45.17 PMPM or \$542 per year in Acute Care expenditures
- Savings of \$90.99 PMPM or \$1092 per year in post-Acute Care expenditures

SASH VITAL STATISTICS

Number of Vermonters Enrolled in SASH: 4,300

Number of Vermont Affordable Housing Sites with SASH program: 118

Number of Vermonters Employed in SASH-specific positions: 72 (FTEs)