

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.730

An act relating to Medicaid rates for home and community-based services and home-delivered meals as a reimbursable covered service

As passed the House Committee on Human Services (3/11/16)

The bill proposes to require the Secretary of Human Services to apply for an amendment to Vermont's Global Commitment 1115 waiver to allow home-delivered meals to be treated as a reimbursable covered service under the Choices for Care Program.

According to data provided by the Department of Disabilities, Aging, & Independent Living (DAIL):

- The average cost of a meal as reported by the Area Agencies on Aging (AAAs) = \$7.60
- The average number of meals per client per year = 166
- It is estimated that the number of Choices for Care clients that could take advantage of this program = approximately 1,500 clients.

Should this take effect, the Department expects that take-up (taking into consideration initial program roll-out) might be 25% in the first year and 50% by the second year. Take-up in out years may be higher as the program is fully rolled out.

Estimated SFY'17 = \$472,000 gross / \$216,000 state share

Estimated SFY'18 = \$945,000 gross / \$432,000 state share

According to DAIL, the estimated SFY'17 cost of \$472,000 to provide home-delivered meals is roughly equivalent to the costs of providing nursing home care to approximately 7-8 Medicaid beneficiaries per year. On average, between 2013 and 2015, there have been approximately 28 less beneficiaries receiving nursing home care per year. DAIL assumed a 1% reduction in resident days (equivalent to approximately 17 residents) in their SFY'17 budget proposal. While it is not unreasonable to assume the reductions in nursing beds days could surpass the 1% assumed in the Governor's budget proposal, any potential offsets to pay for the proposed increases as proposed in this bill must be weighed against the potential for any other future budget pressures and risks to the DAIL budget along with the likely increase in out-year costs as the take-up rates of the program increase.