

Testimony to House Appropriations – February 11, 2016

Molly Dugan, Director of SASH, Cathedral Square Corporation

Thank you for the opportunity to testify. I appreciate the difficult budget situation our state again faces and the hard choices you must make. I would like to comment on the Governor's recommended budget supporting the Blueprint for Health and its SASH – Support And Services at Home initiative, of which Cathedral Square serves as the statewide administrator.

Support And Services at Home (SASH)

The Governor has recommended level funding at \$974,023 to support SASH. This funding is essential to the continuation of this proven and impactful model. SASH is a partnership program that serves as an extender to the Blueprint for Health providing support and care coordination where people live. SASH is embedded in affordable housing across the state – in housing owned by 22 public housing authorities or nonprofit housing providers such as RuralEdge in Caledonia and Orleans Counties, Shires Housing and the Bennington Housing Authority, DownStreet and the Montpelier and Barre Housing Authorities, Cathedral Square working with Champlain Housing Trust and the Burlington and Winooski Housing Authorities, Lamoille Housing Partnership, and in Windsor County the Brattleboro Housing Partnerships works with the Windham and Windsor Housing Trust. SASH 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 community based 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 also focuses on keeping participants in our program well and healthy. We offer chronic disease self-management programs, Tai Chi for arthritis, diabetes prevention classes, walking programs and many, many other offerings at the 136 housing sites in communities all over the state.

SASH is in the midst of a 3 year evaluation by the federal Agency of Health and Human Services and the Department of Housing and Urban Development. The first evaluation report 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. We have just recently seen the second evaluation report which will be made public later this month and it confirms continued reduction in growth of health care spending for SASH participants vs. the control group. And, importantly, the sample size is three times larger.

As you can see in the handout I provided, besides just saving money, SASH is having positive impacts on increased access to care and improved health. This is true results based accountability.

Importantly, SASH's primary funding source, the Medicare Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration, which also funds a portion of the Blueprint for Health, is set to expire December 31, 2016. If left to expire, approximately 5,000 older adults and adults with disabilities will lose a system of care support and coordination that has significantly improved their quality of life and at the same time reduced health care expenditure growth. Our clearest path to sustainability is the All-Payer Model proposal that the state's Agency of Administration and Green Mountain Care Board (GMCB) recently submitted to the Centers for Medicaid and Medicare Services (CMS) in a term sheet. This proposal will expand SASH and continue Medicare's participation in the Blueprint for Health.

Vermont Housing & Conversation Board

While today's hearing focuses on AHS budget issues, I want to take a moment to talk about the importance of VHCB funding for our work. Cathedral Square owns or manages thirty 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.

Recently CSC completed a renovation of Kelley's Field senior apartments in Hinesburg utilizing VHCB funds. Energy improvements included air sealing and insulation and new windows. We also improved accessibility by making two apartments and the community and laundry rooms fully handicapped accessible. With its investment in Kelley's Field, VHCB is reducing energy costs, while improving resident safety and comfort, and providing affordable housing to those that might otherwise be in an institutional setting much more costly to the state.

Our newest affordable housing community benefiting from VHCB investment is Elm Place in Milton. Construction will begin on this 30-unit senior community in April and provide much needed affordable housing with SASH services to low income senior residents in the Milton area. This development is a smart growth site in the center of town, with access to public transportation and within walking distance to services including the UVM Medical Center next door. This building will be designed to Passive House standards, which is a super insulated building envelope which greatly reduces energy usage and costs. This will be the first Passive House multi-family building in Vermont.

CSC is providing development assistance to Addison County Community Trust, to redevelop a blighted mobile home park in Waltham, one mile from downtown Vergennes. VHCB's investment in the new "McKnight Lane" development will transform the blighted park into a zero net energy rental community, which will feature 14 Vermod high performance homes built in Wilder Vermont. All 14 homes will serve Addison County households earning below 60% of Area Median Income. This investment will improve the neighborhood by cleaning up blight, and provide much needed, zero net energy affordable housing, completely powered by the sun.

VHCB has leveraged millions of dollars in federal funds and tax credits. Our most recent project cost \$8.2M where VHCB funding leveraged \$6.3M in equity through the 9% tax credits.

As you know, the Governor has called for level funding of VHCB at \$14M, which we greatly appreciate. That said, this is \$5M below its statutory funding level of \$19M. We would appreciate any increase you

could provide towards that goal. If we continue to short-fund VHCB, we only make our affordable housing crisis worse, driving more Vermonters into homelessness. This investment creates housing that is affordable, energy efficient and accessible, and it leverages millions of other public and private funds for the benefit of Vermonters.

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

Thank you very much.

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