

# Vermont Association of Area Agencies on Aging

Helping Vermonters Age with Independence and Dignity

## AAA ANALYSIS OF FY 2016 BUDGET PROPOSALS

### 1. SENIOR COMPANION PROGRAM (SCP):

**What is being proposed?** A 5% reduction in state support for either the SCP or the Foster Grandparent's program or a combination of both. The Commission for National and Community Service may have discretion in how they would implement this reduction, according to Phil Kolling, Director.

**What is the financial savings to the state?** The state support for the Senior Companion Program has been level funded at \$74,500 for over 15 years; a 5% reduction is **\$3725**, a pittance compared with the state budget, but important to a program which already does not cover its costs.

**What impact does this program have and how does it operate?**

- In 2014, 65- 70 low income seniors were paid \$2.65 an hour for providing companionship to over 345 isolated or frail seniors, helping them remain independent and at home;
- Over 57,000 hours of service were provided in 2014;
- Companions work between 15-40 hours a week;
- If this service was provided by someone paid minimum wage, the cost would be 3-4 times more;
- The SCP serves **both** the recipient and the companion – a win-win situation;
- AAA staff support the companions. AAAs increasingly subsidize the program costs by 20-40%. This means there are fewer hours for recruiting new companions and supporting existing companions.

**SUMMARY:** The Senior Companion program is an important part of long term care services designed to keep seniors at home. This extremely low-cost, effective program supports both care recipients and caregivers. A reduction in state support will further erode this capacity and some clients may end up in nursing homes sooner.

### 2. ENHANCED RESIDENTIAL CARE CASE MANAGEMENT SERVICES:

**What is being proposed?** Elimination of Case Management for Enhanced residential care home participants in the Choices for Care program. The rationale is that ERC case management is duplicative and that the ERC homes can and should provide this service. This was also proposed and **rejected** by the legislature in 2012.

**What is the financial savings to the state?** **\$433,622 (this program brings in federal funds through match)**

**What impact does this program have and how does it operate?**

- Eliminating Case Management affects 480 vulnerable Choices for Care clients in residential care homes.
- ERC case managers are trained, supervised and conflict-free. A deliberate choice was made when the Choices for Care program was created to have case management services provided by specially trained staff. There would be additional cost to train ERC staff to meet case management standards and they would not be "conflict-free."
- Case Managers have extensive expertise in doing Long Term Care Medicaid applications, and are a resource to the homes when there are issues along these lines.
- Currently, ERC clients may choose between AAAs and VNAs for Case Management. Eliminating this provision would deny choice to participants living in ERC settings, effectively restricting, rather than



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expanding, their choices. This is contrary to written case management standards in the Choices for Care program, which states that “people have the right to make their own decisions and decide who they want to be involved in decision making.” (Case Management standards state in section IV.B.2)

- Many ERC clients do not have family to advocate for them and rely on an objective third party to assist them.
- When this proposal was floated 2 years ago, several ERC homes said they would back out of the program if external case management was eliminated because, according to one home, they “can’t do all this paperwork and already have trouble doing what is expected” of them. Another provider said, “it will drastically reduce my willingness to accept a client who is not enrolled in Medicaid already. No one has trained us to be social workers.... I am the person who takes their money, how can they trust me with all their personal info and financial info without an outside service to advocate for them?”

**SUMMARY:** Some clients may not have anyone to advocate for their needs. Some ERC homes may refuse to take ERC clients with the result that some clients may go directly into nursing homes rather than lower cost ERC homes. AAAs may lose several case management positions due to the loss of these funds. These staff members provide not only ERC and other Choices for Care Case Management, but also Older American’s Act Case Management services.

### 3. LIHEAP

**What is being proposed?** Elimination of state portion (\$6 million) of LIHEAP funds. Part of the rationale is that fuel prices have decreased so benefits go farther.

**What is the financial savings to the state?** \$6 million.

**What impact does this program have and how does it operate?** This will likely reduce benefits for future LIHEAP beneficiaries. Also, using federal income guidelines (mandatory if the state doesn’t contribute) throws 4000 households off of supplemental fuel and 1000 households off of crisis fuel.

**SUMMARY:** There is no guarantee that fuel prices will stay at their current low level. Many clients already have challenges meeting their fuel needs even with LIHEAP assistance. This will likely shift requests from LIHEAP to already scarce community resources. A recent study noted that 20% of Vermonters are “fuel poor” and this will exacerbate the problem. <http://digital.vpr.net/post/20-percent-vermonters-are-fuel-poor-new-study-shows>

### SALIENT POINTS:

1. SCP is one of the most cost effective preventative programs out there, and has been underfunded and subsidized by AAAs for years. Continued underfunding and/or a reduction will further erosion of our ability to support the low-income companions who support frail, vulnerable seniors to stay at home.
2. ERC Case Management reduces vital services to vulnerable ERC residents as well as the ERC homes who rely on CM support for their residents, as well as reducing funding to AAAs and HHAs to provide CM services.
3. LIHEAP reductions during times of low fuel prices are short-sighted and further contribute to Vermonters being “fuel poor.”

