

April 7, 2015

To: Senate Health and Welfare Committee

From: Vermont Association of Adult Days

Re: FY 16 Budget- Capacity Grant Cuts and MNG Allocation

The Governor recommended cutting the capacity grants, which are general funds, from the adult day programs. The House agreed with the cut, which totaled \$115,000. .

Capacity grants provide each program with a small amount of unrestricted funds to support their services. The amount of the grants has declined significantly over the last 10 years during which the frailty of those we serve has vastly increased. The grants largely fund program operations and improvements to meet the needs of participants

- Program Operations
  - When participants are scheduled but do not attend due to illness or weather, the program does not receive any payment for that participant, unlike other state-supported care services such as long-term care facilities or children's daycare programs which receive funding for a period of time if the participant is absent.
  - This substantial reduction in revenue creates a significant hardship on the programs as fixed costs mandated by the VT Adult Day Standards remains the same, whether participants are present or not.
  - Economically unpredictable revenue causes organizational challenges that include unpredictable staffing needs often resulting in turnover, inconsistency, increased unemployment costs and decreased participant and staff satisfaction.
- Improvements
  - Adult Day programs are subject to continual improvements to meet the needs of our increasingly frail participants and protect our staff.
  - Investments in expensive equipment such as monitoring systems, mechanical lifts, hospital beds, etc., reduce risks and improve satisfaction.

### **Moderate Needs Allocations**

The attached chart shows the increase in MNG allocations from FY 2014 to FY 2015. Because of reinvestments, the adult day programs were able to take on more MNG participants. If the state is going to revert to the proposed SF 2014 funding for the upcoming fiscal year, those additional participants will not be able to be served.

In this fiscal year, in order to reduce the waitlist for MNG qualified individuals, adult day programs worked with the state and other community members to serve more Vermonters this current year. They met that goal thanks to the increased FY 2015 allocation. They expect to use the full allocation in FY 2015.

If the MNG allocation is rolled back to FY 2014 levels, we will have to explain to the 100-year old and working family members that they can no longer attend 4 days a week, or explain to the working mother of the 29 year old disabled child that we can now only offer 1 day of assistance. The list of situations is endless but the reality remains.

Note that when Vermont implemented the Choices for Care (CFC) waiver and made a commitment to eligible Vermonters that they could choose to stay at home or access nursing facility care, adult day

services played an integral role in meeting the goal of reducing the long-term care costs to the state. On average, adult day services cost less than 45% of facility-based care.

**Savings Reallocations**

We would like to propose that savings realized from CFC in FY 2016 be reallocated directly to the MNG program.

For the State to stand by its commitment to serve Vermonters who chose home as their environment of choice they must also assure there are community-based organizations willing and able to care for our most valuable, yet vulnerable residents – seniors and adults with disabilities. Continued reinvestment in the services that have resulted in savings is a sound decision.