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**Report to**  
**The Vermont Legislature**

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**Report on Choices for Care, Home Delivered Meals Plan**

**In Accordance with Act 172, Sec. E.308.1 CHOICES FOR CARE; HOME DELIVERED MEALS PLAN**

**Submitted to:**            **Representative Catherine Toll, Chair,**  
                                 **House Committee on Appropriations**

**Representative Ann Pugh, Chair,**  
                                 **House Committee on Human Services**

**Representative William J. Lippert Jr., Chair,**  
                                 **House Committee on Health Care**

**Senator Jane Kitchel, Chair,**  
                                 **Senate Committee on Appropriations**

**Senator Claire Ayer, Chair,**  
                                 **Senate Committee on Health and Welfare**

**CC:**                         **Monica Caserta Hutt, Commissioner**  
                                 **Department of Disabilities, Aging and Independent Living**

**Submitted by:**         **Al Gobeille, Secretary**  
                                 **Agency of Human Services**

**Prepared by:**         **Megan Tierney-Ward, Director**  
                                 **Adult Services Division**

**Report Date:**         **January 20, 2017**



## **I. Executive Summary**

In Accordance with Act 172, Sec. E.308.1, Choices for Care; Home Delivered Meals Plan:

- (a) The Secretary of Human Services shall determine the amount of existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars without adversely affecting other Choices for Care recipients or individuals receiving home-delivered meals who are not in Choices for Care.
- (b) On or before February 1, 2017, the Secretary of Human Services shall submit to the Chairs of the House Committees on Appropriations, Human Services, and Health Care and the Senate Committees on Appropriations and Health and Welfare a plan for seeking an amendment to the Choices for Care Waiver and the anticipated fiscal impact after offsetting the non-federal funds referenced in subsection (a) of this section.

As AHS testified during the last legislative session, AHS agrees with the intent of the bill. After extensive analysis of the funds expended by Vermont's Area Agencies on Aging (AAA), the Agency of Human Services via the Department of Disabilities, Aging and Independent Living (DAIL), has determined that existing non-federal dollars are not currently available as a match to create a Medicaid funded Choices for Care (CFC) home delivered meals (HDM) service, without putting Vermonters and the stability of federal Older Americans Act services at risk. Therefore, without an additional targeted appropriation, seeking an amendment to the Global Commitment to Health 1115 Waiver is not feasible at this time.

## **II. Background**

The Older Americans Act describes the purposes of providing nutrition services, including home delivered meals, to:

1. Reduce hunger and food insecurity;
2. Promote socialization of older individuals; and
3. Promote the health and well-being of older individuals by assisting such individuals to gain access to nutrition and other disease prevention and health promotion services to delay the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior.<sup>i</sup>

Currently DAIL supports the provision of home delivered meals in two different ways:

1. Older Americans Act: Home delivered meals are available to Vermonters age 60 and older through the Older Americans Act (OAA). In Federal Fiscal Year 2016 (FFY 16) DAIL allocated \$1,333,633 in federal OAA funds for home delivered meals to Vermont's five AAAs. In addition to the OAA funds, DAIL also provides State General Funds to meet the required 15% match. The AAAs in turn contract with community providers to produce and deliver the meals. In FFY 16, an estimated 772,029 meals were provided to 5,616 older adults.

2. Home Delivered Meals for Individuals with Disabilities: In addition, DAIL grants funds to the Vermont Center for Independent Living (VCIL) to arrange for the provision of home delivered meals to individuals with disabilities under age 60. As with the AAAs, VCIL contracts with local community providers to produce and deliver the meals. In State Fiscal Year 2016, DAIL granted \$457,000 in State General Funds which provided 56,136 meals to 521 individuals. While this report focuses on the possible use of non-federal dollars expended by the AAAs to provide home delivered meals to Choices for Care recipients, providing this additional information provides a more complete picture of what resources are currently available to support the provision of home delivered meals, particularly since CFC provides services and supports to older adults and adults with disabilities.

It is important to note that in both cases, funding for home delivered meals is not an open-ended, fee-for-service arrangement. Each year the AAAs and VCIL must manage to the funds they are allocated and are challenged to target meals to those most in need.

### III. Analysis

In evaluating the available non-federal funds expended by the Area Agencies on Aging (AAA), DAIL analyzed the following questions:

**1. *Of the State General Funds that AAAs are currently utilizing for the HDM program, how much of that can be used to match federal Medicaid dollars?***

As noted earlier, the federal Older Americans Act (OAA) requires a 15% minimum dedicated State match for operating HDM in Vermont. The State is not authorized to use the same State funds to match different federal programs, in essence double-matching. Though the State currently provides approximately \$746,000 above the minimum dedicated State match, the funds are currently being fully utilized for the delivery of HDM services to Vermonters, regardless of Medicaid eligibility status.

**2. *Of the local funds that AAAs are currently utilizing for the HDM program, how much of that can be used to match federal Medicaid dollars?***

According to the Medicaid rules, local funds from non-state sources are not allowable as a Medicaid match; the funds must come from a governmental entity.

**3. *Would diverting General Funds from the OAA HDM program into the Medicaid program “adversely affect” people currently receiving HDM?***

Diverting General Funds from the OAA home delivered meals program to develop a Medicaid service would potentially put Vermonters and AAAs at risk. Even if local funds were available to temporarily “backfill” the diverted funds, local funds are an unstable source of revenue and cannot be relied upon as a solution.

Additionally, the majority of recipients of home delivered meals are not Choices for Care participants. Therefore, diverted funds to create a Medicaid service would not necessarily be funneled back to the people in each region currently benefiting from critical nutrition services and not enrolled in Choices for Care. Use of the current General Funds would definitely create an adverse impact for current HDM recipients.

#### **4. What is the fiscal impact of creating a Medicaid HDM services for CFC participants?**

It is important to note that OAA funds only cover a portion of each meal provided and act as a subsidy to the actual cost of each meal provided. Under the OAA, AAAs are required to contract for the provision of direct services provided in their region. Therefore, when referring to “cost” in this section, we are referring to the cost of the meal to the AAA and not the total cost of each meal. In estimating cost, DAIL used the following scenarios:

- a. DAIL reviewed HDM and CFC enrollment data and determined that 534 people (22.6%) on CFC received approximately 76,822 meals in FFY 16. Recognizing that many people do not currently receive the maximum five meals per week, at an average cost of \$5.50 per meal, the total cost would be approximately \$422,851 per year, requiring a minimum of \$190,134 General Funds match.
- b. If the people on CFC currently receiving HDM increased to the maximum five meals a week for 52 weeks of the year, that would be 138,840 meals. At an average cost of \$5.50 a meal, the total cost would be approximately \$763,620 per year requiring a minimum of \$343,629 General Funds match.
- c. If all 2359 CFC participants received HDM, five days per week, at a cost of \$5.50 a meal the total cost would be approximately \$3,373,370 per year requiring \$1,551,750 General Funds match.

Though it is very unlikely that all CFC participants would need or want to enroll in HDM, the Medicaid rules require that the service must be made available to all Choices for Care participants, regardless of the fact that all participants are not likely to use every available service. In planning for this possibility and regardless of the other issues raised, there is insufficient, unmatched General Fund to support HDM as a Medicaid service for Choices for Care recipients.

#### **5. What are the other potential impacts to diverting funds?**

- a. Given the increasing demand for OAA services, it is unclear whether AAAs would be able to continue to meet the need for these services in their regions if funds were diverted to

Medicaid. Without additional appropriated funds, Vermonters currently receiving home delivered meals and other core OAA services such as case management would risk being adversely affected.

- b. Diverting OAA General Funds for the implementation of HDM as a Medicaid service could be fiscally complicated and administratively burdensome. It would take significant staff resources to make it work successfully both within the AAA and community providers and at a state level.
- c. Pursuing an amendment to the Global Commitment to Health waiver opens the entire agreement to federal review. Although Vermont may seek an amendment for the specific purpose of implementing HDM, any element of the agreement could be changed during the subsequent negotiation based on federal priorities. Vermont plans to submit a waiver amendment request to federal partners in 2017 in order to request additional demonstration authorities related to substance use disorder services for Vermonters. This would be an ideal time to request any other desired changes in order to minimize overall administrative burden and opportunities for unanticipated consequences.
- d. Actions necessary to submit an amendment to the Global Commitment to Health waiver include:
  - i. Legislative approval
  - ii. Public engagement process
  - iii. Request submitted at least 120 days prior to proposed effective date.
  - iv. Amendment application includes assessments of:
    1. waiver budget neutrality impact
    2. source of non-federal share of funding
    3. beneficiary impact
    4. waiver evaluation impact
  - v. CMS approval must be received prior to implementation (FFP may only be received upon approval and may not be retroactive).

In conclusion, as noted above, AHS agrees with the intent of the bill. The importance of good nutrition for elders is clear. Within hospitals and nursing homes nutritious meals are provided to elders with the recognition that these meals positively contribute to their recovery and long term health. This is no less true in home and community based settings. As we continue to build a system in which more elders receive care in community, adequately funding nutrition services amid growing need becomes essential. However, AHS believes that diverting existing General Funds to make HDM a Medicaid service for CFC recipients is not a feasible option without an additional appropriation.

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<sup>i</sup> Section 330 of the Older Americans Act of 1965 as Amended Through P.L. 114-144, Enacted April 19, 2016.