



TO: Senate Committee on Health and Welfare

FROM: Jill Mazza Olson, Executive Director

DATE: February 28, 2024

RE: S. 231

Thank you for the opportunity to provide testimony on S.231. Below please find a written summary of my testimony. Please contact me at jill@vnavt.org if you have any questions.

Overview of Home Health and Hospice Agency Services

Home health and hospice agencies provide four primary services in Vermont:

1. **Skilled home health care:** Medical care at home for a limited time, provided by nurses and therapists under a physician's order. Just over 16 percent of hospital discharges in Vermont are to skilled home health, nearly as many as are discharged to a skilled nursing facility.
2. **Choices for Care:** Long term assistance, usually by unlicensed caregivers, with "activities of daily living" such as bathing, dressing and nutrition. Provided under a Medicaid waiver to help low-income individuals who have a skilled nursing facility (nursing home) level of need live independently at home.
3. **Hospice care:** Holistic care for individuals with terminal conditions and their loved ones, addressing clinical, spiritual and emotional needs.
4. **Maternal-child health:** Services to children and families, including prevention and rehabilitative services.

Skilled home health and Choices for Care services in particular are critical to supporting hospital discharges and reducing the strain on long-term care facilities. **Every Vermonter receiving these services is an individual who is not in a hospital or a skilled nursing facility bed.**

Concerns

The VNAs of Vermont opposes appropriations for new programs while existing services like skilled home health and Choices for Care services remain under-funded.

The VNAs of Vermont does not dispute that there are many individuals who could benefit from more support in the home who are not eligible for existing programs.

The \$450,000 appropriated in the bill is a substantial figure in the context of services like skilled home health and long-term care.

Skilled home health is currently reimbursed at approximately 66% of the full Medicare payment rates.¹ This year, we are requesting an increase that will bring rates to approximately 75% of full Medicare payment rates (100% of so-called LUPA rates), a General Fund cost of approximately \$550,000.

A 2023 rate study by the Department of Vermont Health Access found that at-home Choices for Care services were underfunded by approximately 51%. The second installment of a three-year implementation process for which we are advocating has a cost of approximately \$1.1M in General Fund dollars. Choices for Care underfunding has increasingly impacted access to services.

¹ Skilled home health rates are currently 88% of the Low Utilization Payment Adjustment (LUPA) fee schedule which is only one component of the full Medicare model. The National Association for Home Care & Hospice estimates that LUPA-only payments are equivalent to only 75% of the full Medicare model.