

---

---

**Report to  
The Vermont Legislature**

---

---

**Annual Report on  
The Adequacy of the Choices for Care Provider System**

In Accordance with 2013 Acts and Resolves No. 50, Sec. E.308(c): An act relating to making appropriations for the support of Government; Choice for Care; Savings, reinvestments, and system assessment.

**Submitted to:** Representative Mitzi Johnson, Chair,  
House Committee on Appropriations

Representative Ann Pugh, Chair,  
House Committee on Human Services

Senator Jane Kitchel, Chair,  
Senate Committee on Appropriations

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

**CC:** Hal Cohen, Secretary  
Agency of Human Services

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

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

**Report Date:** October 1, 2016



---

AGENCY OF HUMAN SERVICES  
Department of Disabilities, Aging and Independent Living

## Table of Contents

I.	Executive Summary .....	2
II.	Introduction.....	2
III.	Consumer Satisfaction.....	3
IV.	Choices for Care Data.....	3
V.	People with Complex Care Needs.....	6
VI.	Residential Care Options.....	6
VII.	Stakeholder Feedback.....	7
VIII.	Recent Choices for Care Changes.....	8
IX.	Conclusions & Recommendations.....	8
	Appendix A: Choices for Care Data.....	9
	Appendix B: Wait Lists.....	11

## I. Executive Summary

In Accordance with 2013 Acts and Resolves No. 50, Sec. E.308(c): An act relating to making appropriations for the support of Government; Choice for Care; Savings, reinvestments, and system assessment (c) *The Department in collaboration with long-term care providers shall conduct an annual assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1 of each year, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare for the purpose of informing the reinvestment of savings during the budget adjustment process.*

This report provides an overall assessment of the availability of Choices for Care services to Vermonters who need and choose them. The report considers information from the following sources and provides a recommendation on the “reinvestment” of Choices for Care “savings”.

- 2015 VT Long-Term Services and Supports HCBS Consumer Survey Report: <http://ddas.vt.gov/ddas-publications/publications-cfc/evaluation-reports-consumer-surveys/ltc-consumer-satisfaction-surveys/ltc-consumer-satisfaction-survey-2014-1>
- Vermont Choices for Care: Evaluation of Years 1-9: <http://ddas.vt.gov/ddas-publications/publications-cfc/evaluation-reports-consumer-surveys/vermont-choices-for-care-evaluation-of-years-1-9-1>
- Choices for Care Data: <http://ddas.vt.gov/ddas-publications/publications-cfc/cfc-qrtrly-data-rprts/cfc-data-report-jan-2016>
- Money Follows the Person (MFP): Experiences and data from the MFP grant highlights the need to **create or expand housing and care options** for people who wish to leave the nursing home and live in the community.
- Stakeholder Feedback: Provider stakeholder survey 2014 and 2015, regular provider/DAIL collaboration meetings, DAIL Advisory Board, DAIL program staff.

## II. Introduction

The mission of the Department of Disabilities, Aging and Independent Living (DAIL) is to make Vermont the best state in which to grow old or to live with a disability ~ with dignity, respect and independence. We strive to support quality, access, flexibility and choice in all of our programs. DAIL’s strategic plan aligns to the Agency of Human Services priority goals that support individuals and families by 1) decreasing the lasting impacts of poverty and creating pathways out of poverty, 2) promoting health, wellbeing, and safety, 3) enhancing program effectiveness, accountability for outcomes, and workforce development and engagement, and 4) ensuring all Vermonters have access to high quality health care.

This report provides an overall assessment of the adequacy of the provider system for delivery of Choices for Care (CFC) home and community-based services and nursing home

services. For the purpose of this report, “adequacy” means “**availability of services to Vermonters who need and choose them.**”

### III. Consumer Satisfaction

In February 2015, Thoroughbred Research Group published the *2014 Vermont Long-Term Services and Supports HCBS Consumer Survey Report*. (<http://ddas.vt.gov/ddas-publications/publications-cfc/evaluation-reports-consumer-surveys/ltc-consumer-satisfaction-surveys/ltc-consumer-satisfaction-survey-2014-1>)

Based on the report, “... the survey suggests that the large majority of consumers are satisfied with DAIL programs, satisfied with the services they receive, and consider the quality of these services to be excellent or good” and “based upon the views and attitudes of the large majority of consumers, **the survey results did not identify any major systemic problems with the programs and services provided by DAIL.**”

Though the survey results continue to show high levels of satisfaction for people enrolled in DAIL managed long-term services and supports, the report also indicated that the **Provision of Services, Staff Attributes** and **Consumer Choice** areas of the survey have the highest potential for improving and maintaining satisfaction.

Note that DAIL is currently transitioning to the National Core Indicators for aging and disabilities, with the goal of implementation late 2017. This transition creates a one-year gap between surveys and creates new opportunities to compare outcomes to national standards.

### IV. Choices for Care Data

DAIL generates Choices for Care (CFC) data for the purpose of monitoring utilization and providing data for the annual CFC independent evaluation. One goal of CFC is to increase overall utilization of home and community-based settings, which continues to hold true. Data shows the following enrollment changes in the last year:

<b>Choices for Care (CFC) Setting</b>	<b>Jun-15</b>	<b>Jun-16</b>	<b>% change</b>
Enhanced Residential Care (ERC)	455	507	11%
Home-Based	1574	1659	5%
Flexible Choices	121	126	4%
Adult Family Care (AFC)	33	55	67%
Nursing Facility (NF)	1802	1774	-2%
Moderate Needs	1570	1467	-7%
<b>Totals</b>	<b>5555</b>	<b>5588</b>	<b>1%</b>

Source: SAMS Enrollments

Though Adult Family Care (AFC) has the smallest number of participants, it has shown the largest increase in the past year (67%). The Enhanced Residential Care (ERC) option has shown the second largest area of growth (11%). This is likely due to the increased demand for serving people with complex needs in smaller “home-like” settings, outside of nursing facilities. (see Residential Care Options).

Moderate Needs enrollment experienced the largest decline in utilization in the past year. As indicated in the 2015 Choices for Care Adequacy Report, Moderate Needs services were expanded in SFY14-SFY15 with \$3.0 million CFC reinvestments. The expansion was intended to address regional wait lists for anyone who applied before 1/1/14 and to create a flexible funds option for people who wanted to hire their own homemaker staff or purchase a limited amount of other services to meet their needs in flexible ways. This expansion created a 25% growth in Moderate Needs services statewide. However, the reinvestments funds were not continued into SFY16 budget which created a funding problem for some agencies that had significantly increased their Moderate Needs enrollments during SFY14 and SFY15. Following legislative language, DAIL utilized a portion of the SFY15 CFC carry forward (contingency) funds to off-set Moderate Needs losses in SFY16. However, this did not fully address the need and the program has shown a 7% reduction in utilization and continued wait lists for homemaker services due to the reduction in funding. In some cases, providers reported that they felt compelled to dis-enroll or reduce services to people due to the fluctuation in funding specific to their agency.

It is important to note that the eligibility requirements for Moderate Needs Group services are quite inclusive. As a result, the use of services is limited by the availability of funding, rather than by rigorous or restrictive functional and financial eligibility requirements. Because the number of potentially eligible people may be tens of thousands it is difficult to foresee circumstances in which a waiting list would be permanently eliminated.

**Moderate Needs Utilization:** Statewide, Moderate Needs providers utilized more than 92% of SFY16 funds allocated. Area Agencies on Aging (AAA) utilized about 88%, Adult Day providers utilized about 93% and Home Health Agencies utilized about 91%. (*Source: Medicaid claims paid as of 9/2/16*). Mid-year, both the home health and adult day providers voluntarily reallocated funds to their partner agencies who were trending high on spending. This helped maximize utilization. Feedback from providers indicates that the irregular and unstable funding patterns make it very difficult to plan spending and enrollment. SFY16 was challenging because the initial budget supported a 26% funding reduction back to base allocation. This created a high level of worry about participants losing services and agency freezing new enrollments. Fortunately, DAIL was able to utilize CFC contingency funds to provide a 25% mid-year increase based on spending trends. Below is a table that illustrates the funding patterns since SFY15.

	<b>SFY15 (last year of \$3m CFC investment)</b>	<b>SFY16 Initial (26% budget reduction back to base)</b>	<b>SFY16 Increase (25% increase using CFC contingency funds)</b>	<b>SFY17 Initial (small budget increase)</b>
AAA	\$238,452	\$179,358	\$208,080	\$214,840
Home Health	\$3,448,145	\$2,464,935	\$3,246,562	\$3,352,038
Adult Day	\$2,158,526	\$1,684,987	\$1,941,087	\$2,004,150
<b>Totals</b>	<b>\$5,845,123</b>	<b>\$4,329,280</b>	<b>\$5,395,730</b>	<b>\$5,571,028</b>

**Wait Lists:** There are no wait lists for people who meet the Choices for Care highest and high needs clinical criteria. However, home health agencies report continued growth in the number of people waiting for Moderate Needs services which is currently at around 600 people statewide. Adult Day providers have reported no people waiting for Moderate Needs services. (See Appendix B)

**Adult Day Services** utilization decreased in SFY16 across all Medicaid funding sources by approximately 4%, as illustrated in the table below.

	<b>SFY2015 7/1/14- 6/30/15</b>	<b>SFY2016 7/1/15- 6/30/16</b>	<b>Difference between SFY15-SFY16</b>
<b>Adult Day CFC Moderate Needs:</b>			
Total payments	\$1,730,829	1,691,863	-2%
Average people served per month	143	143	0%
Average hours per person/per month	66	64	-3%

**Adult Day CFC High/Highest Needs:**

Total payments	\$2,867,314	\$2,765,647	-4%
Average people served per month	206	189	-8%
Average hours per person/per month	75	80	7%

**Medicaid Day Health (DHRS):**

Total payments	\$2,136,624	\$2,024,554	-5%
Average people served per month	153	151	-1%
Average hours per person/per month	76	72	-5%

**TOTAL:**

Total payments	\$6,734,767	\$6,482,064	-4%
Average people served per month	502	483	-4%
Average hours per person/per month	73	72	-1%

Source: Medicaid paid claims by dates of service, September 2016

## **V. People with Complex Needs**

One area of need that has been identified through stakeholder feedback and program experience, is the need for services that can adequately support Vermonters with complex medical, mental health and behavioral needs. While DAIL continues to create specialized arrangements case by case for a small number of people, DAIL has also been working with the Department of Mental Health and the nursing facility industry to explore ways to better support people systemically in the setting that they choose. For example, one barrier to people receiving care in a nursing facility, are the regulatory standards set by the Centers for Medicare and Medicaid Services (CMS) that measure quality of care based on the number of resident to resident incidences and the use of anti-psychotic medications. While reducing the number of incidents and unnecessary use of anti-psychotics is a very good thing, it may have inadvertently created reluctance or fear of admitting people with a documented history of aggression towards others or who use of anti-psychotics.

The increased focus on this issue has led to conversations with Vermont facilities who have an interest in exploring specialized care for people with a combination of complex medical and behavioral needs. The goal is to create in-state options for people with specific care needs who might otherwise remain hospitalized or sent out of state to receive their care, recognizing that for some people the need is transitional with the primary goal of living in the community.

In March 2015, Vermont implemented a Companion Aide Pilot project to provide assistance to nursing facilities in advancing culture change with a focus on person-centered dementia care through June 2017. The goal of the pilot is to provide an enhanced Medicaid rate to four eligible facilities that are committed to person-centered dementia care through dedicated "Companion Aide" staff. The Companion Aide is a trained licensed nursing assistant (LNA) who champions person-centered dementia care with the goal of improving the lives of people with dementia, as evidenced by positive changes such as a reduction of the use of psychotropic drugs, incidence of resident to resident altercations, and improved staff satisfaction. To date, the findings are positive. For example, people who receive Companion Aide services are less likely to have behavioral needs that lead to involuntary discharges or use of unnecessary anti-psychotics. The pilot is expected to yield useful information that can assist other long-term services and supports providers in offering quality dementia care in Vermont.

## **VI. Residential Care Options**

In managing the Money Follows the Person (MFP) grant which provides services to help people who wish to transition out of nursing facilities into a community-based setting of their choice, DAIL has learned that many people are not able to leave as they would wish, due to the lack of housing and 24/7 care options. Since January 2012, approximately 1787 people have been educated by MFP about their options. Of those, 383 indicated that they wished to transition to the community and were enrolled into MFP services. However, only 254 of those enrolled (60%) were able to transition to the community. Many of those

currently enrolled onto MFP are still waiting for a feasible community-based option that can support both their housing and care needs.

Currently, Enhanced Residential Care (ERC) and Adult Family Care (AFC) are the two Choices for Care service options that offer an alternative to nursing facility care for people who do not have their own home or are looking for a more home-like shared living arrangement that provides 24/7 care and oversight.

Below is a table that illustrates the current number of people enrolled in the CFC residential options and the average cost per person, per month. Clearly, the ERC option is the lowest reimbursed option, with nursing facility being the highest.

<b>Choices for Care Residential Options (excludes home-based)</b>	<b># of People Enrolled</b>	<b>% of CFC Residential Options</b>	<b>Ave. Cost Per Person / Per Month</b>
<u>Adult Family Care</u> : Unlicensed private home	55	1%	\$5383
<u>Enhanced Residential Care</u> : Licensed Level III Residential Care Home or Assisted Living Residence	504	13%	\$1900
<u>Nursing Facility</u> : Licensed Nursing Facility	1870	45%	\$5910

*Data Sources: SAMS enrollment data and June 2016 Medicaid Paid Claims Report.*

Only 80 of the 125 licensed Level III Residential Care and Assisted Living Residences are enrolled as ERC provider. This is primarily due to the very low Medicaid reimbursement rate and the fact that ERC provider enrollment is voluntary.

Though the Adult Family Care option is the closest to a “home-like” residential setting, the cost of providing care for one or two people in a single family home is typically higher than it is to provide services to a larger number of people. Additionally, AFC tends to be the setting that is able to accommodate people with complex behavioral care needs at a specialized rate, when licensed facilities are not able to care for the person in a larger group setting. AFC specialized rates account for almost 30% of all AFC enrollments at an average of almost \$300 per day or \$9000 per person, per month. However, the normal daily rate for AFC averages \$177 per day or \$3900 per person, per month, which is still more than the average ERC cost, but less than the cost of a nursing facility.

## **VII. Stakeholder Feedback**

In 2014 and 2015, DAHL generated a provider stakeholder survey that illustrated the following themes. Those theme still exist today and are shared during regular provider collaboration meetings, the DAHL advisory board, DAHL program staff, and individual communications.

1. Inadequate health care workforce which is illustrated by unfilled service plan hours and in some regions, provider wait lists.
2. Lack of residential options such as Enhanced Residential Care (ERC) and Adult Family Care (AFC) as illustrated by people in nursing facilities and hospitals who are not able to



find reliable 24/7 housing and care.

3. Inadequate rates to support recruiting and retaining quality workforce and to attract new ERC and AFC home providers, as voiced by the provider network and advocates.
4. Inadequate and stable Moderate Needs funding source as demonstrated by provider wait lists and spending trends.
5. Inadequate access to services for people with dementia, psychiatric diagnoses, substance abuse, or challenging behaviors as demonstrated by some people spending extended period of time in the hospital searching for appropriate services.

The 2014 and 2015 Adequacy Reports with provider stakeholder survey results can be found at <http://legislature.vermont.gov/assets/Documents/Reports/302525.PDF> and <http://legislature.vermont.gov/assets/Legislative-Reports/CFC-Adequacy-Report-2015-093015.pdf>.

## **VIII. Recent Choices for Care Changes**

July 1, 2016, DAIL increased the minimum wage for home-based self-directed independent direct support workers from \$10.40 to \$11.04 per hour. This was done through the Collective Bargaining Agreement (CBA) established between the State and AFSCME.

Additionally, DAIL was authorized via the SFY17 budget act to increase HCBS rates by 2% effective September 1, 2016. The increase included home-based personal care, respite and companion services, Adult Day, Enhanced Residential Care, Adult Family Care and self-directed budgets.

Though the wage and rate increases are a positive step in addressing some of the home and community based services (HCBS) adequacy issues, it does not address the continued Moderate Needs provider wait lists and does not bring ERC rates up to par.

## **IX. Conclusions & Recommendations**

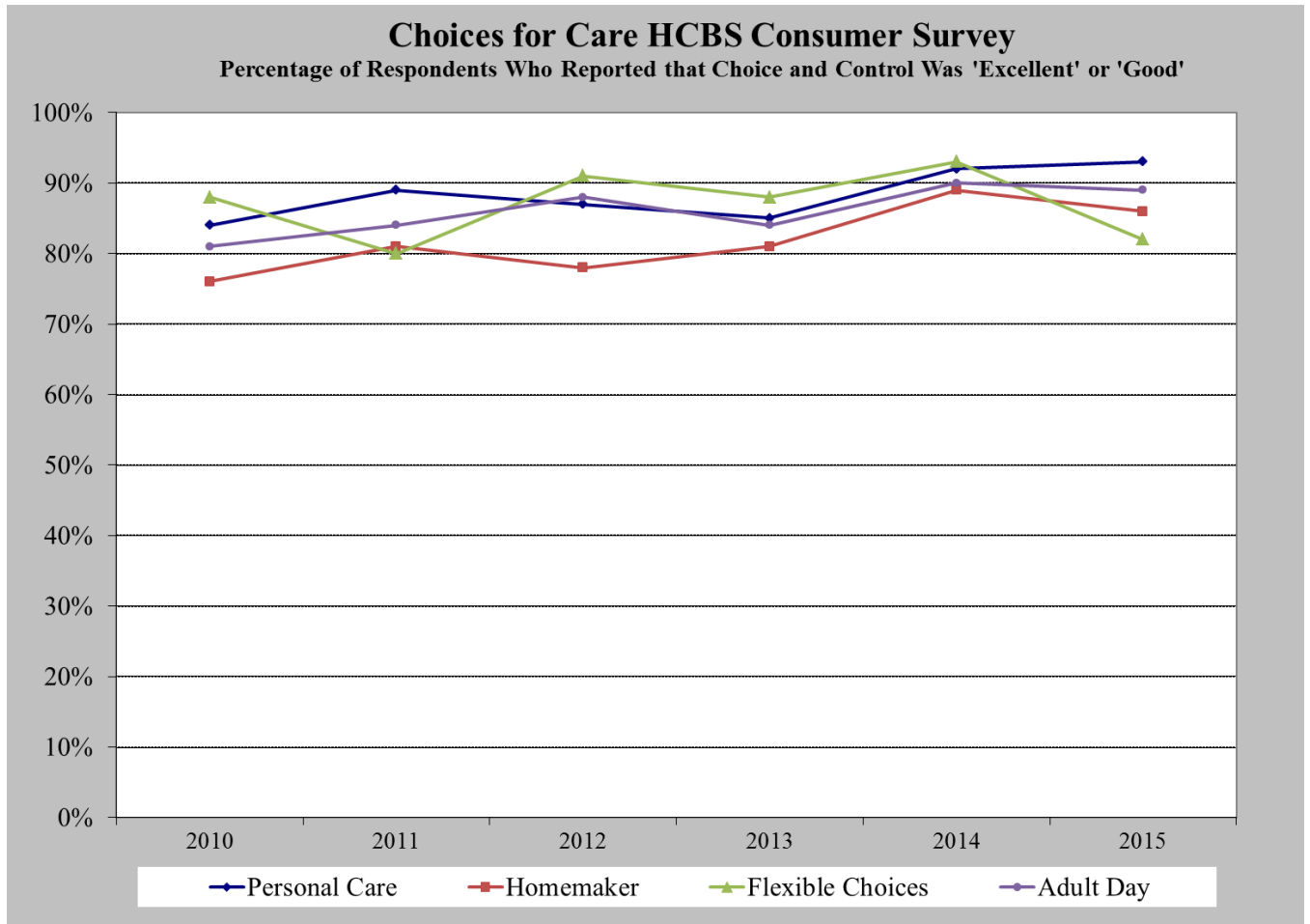
There are many areas of success and strength in the Choices for Care (CFC) program including the overall high levels of consumer satisfaction, continued increase of Choices for Care participants, many people receiving services in the setting of their choice and incremental wage and rate increases. However, data and stakeholder feedback indicate areas of need related to residential options, rates, staffing and moderate needs funding.

Based on stakeholder feedback and program data, and following legislative instructions, DAIL recommends that SFY16 Choices for Care savings reinvestments be used to:

- Increase Moderate Needs funding, and
- Increase Enhanced Residential Care rates.

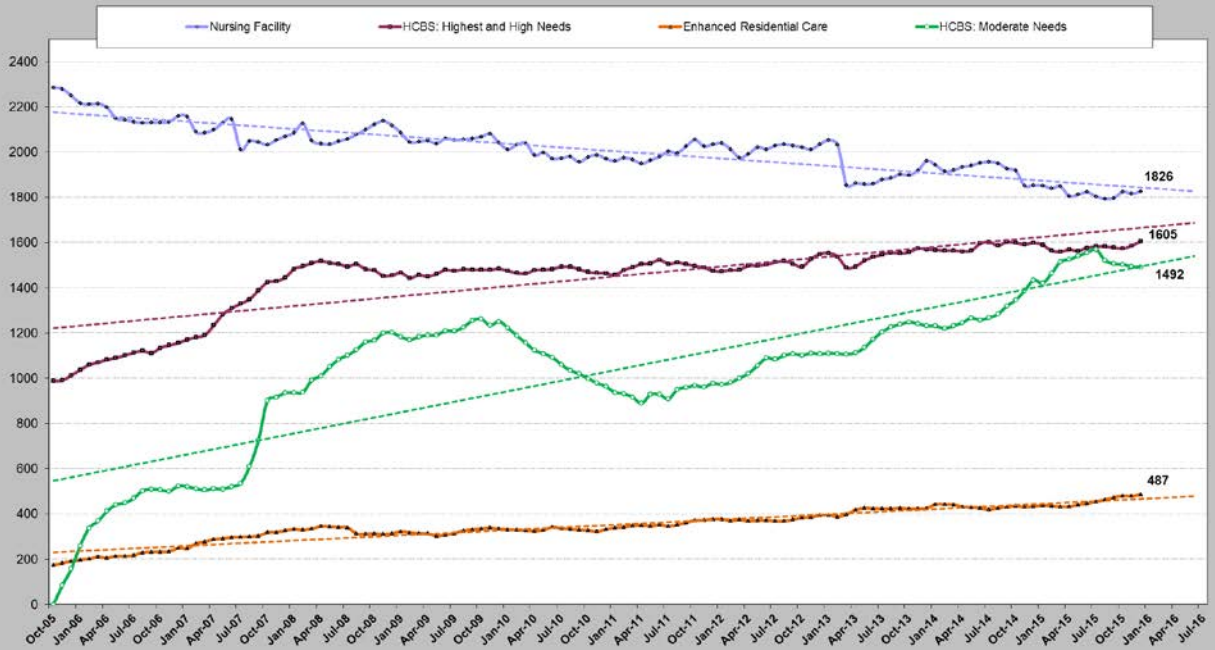
**Attachment A**  
**Choices for Care Data**  
From the January 2016 Data Report

<http://ddas.vt.gov/ddas-publications/publications-cfc/cfc-qtrly-data-rprts/cfc-data-report-jan-2016>

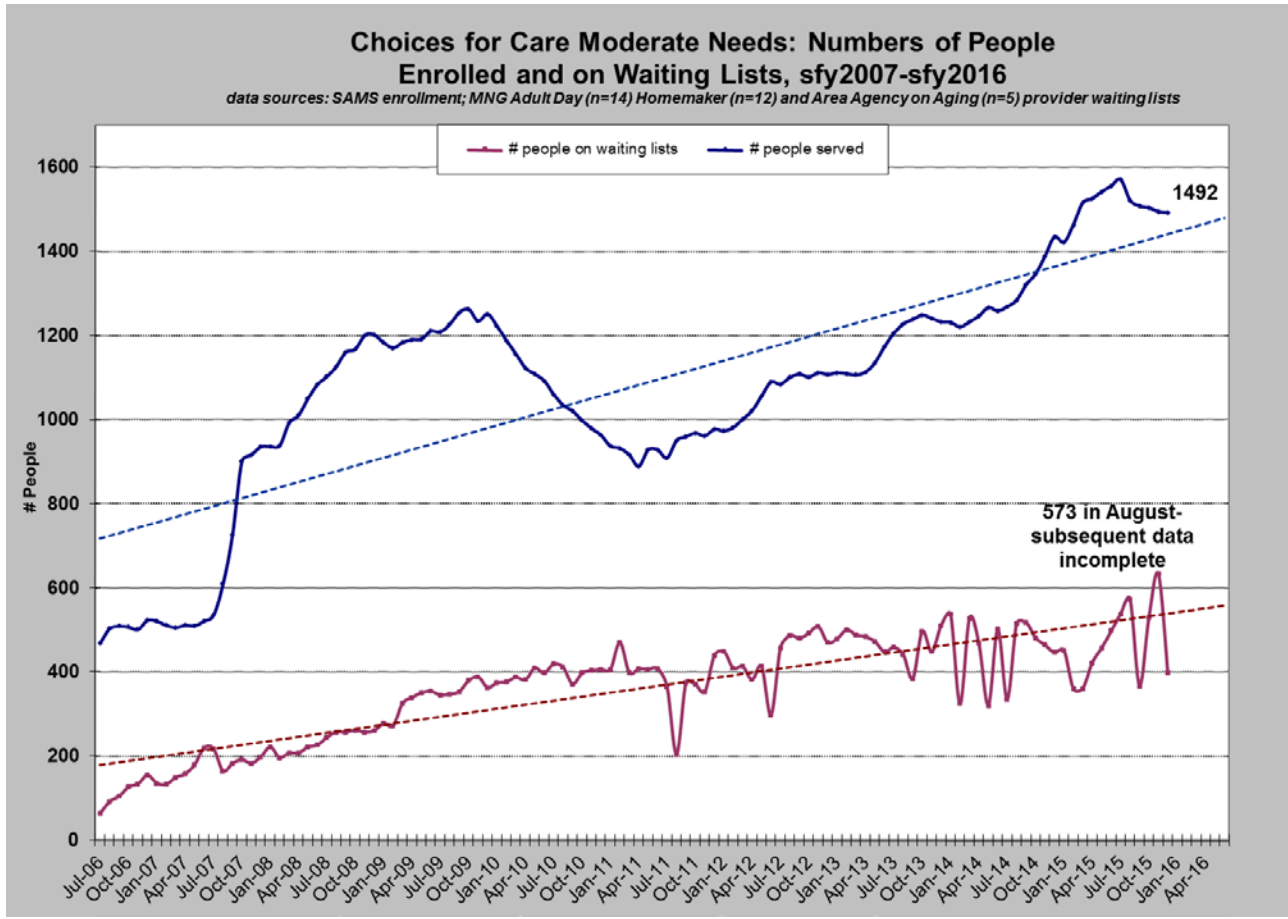


Complete survey results are available online: <http://www.ddas.vermont.gov/ddas-publications/publications-cfc/evaluation-reports-consumer-surveys/cfc-evaluation-rpts-consumer-surveys>

Choices for Care: Total Number of Enrolled Participants by Setting  
SFY 2006 - SFY 2016



## Appendix B Wait Lists



The eligibility requirements for Moderate Needs Group services are inclusive. As a result, the use of services is limited by the availability of funding, rather than by rigorous or restrictive functional and financial eligibility requirements. Because the number of potentially eligible people may be tens of thousands it is difficult to foresee circumstances in which a waiting list would be permanently eliminated.

**Moderate Needs Wait Lists: June 2014 & June 2015 & June 2016**

<b>Home Health Agency Name (Homemaker)</b>	<b>Jun -14 Tot #</b>	<b>Jun -15 Tot #</b>	<b>Jun-16 Tot #</b>
Addison County Home Health & Hospice	14	7	13
Bayada Professional Nurses	0	0	0
Caledonia Home Health Care, Inc.	0	0	0
Central VT Home Health Agency & Hospice	11	64	0
Franklin County Home Health & Hospice	97	16	65
Lamoille Home Health Agency & Hospice	21	8	0
Manchester Health Services	0	0	0
Orleans / Essex VNA Association & Hospice	0	0	10
Rutland Area VNA & Hospice	67	121	133
VNA & Hospice of Southwestern VT Health Care (now with Rutland Area VNA & Hospice)	12	21	31
VNA of Chittenden & Grand Isle Counties	184	172	318
VNA of Vermont & New Hampshire	95	86	60
<b>TOTAL Homemaker Wait List</b>	<b>501</b>	<b>495</b>	<b>630</b>
<b>Adult Day Provider Name (Adult Day Services)</b>	<b>Jun -14 Tot #</b>	<b>Jun -15 Tot #</b>	<b>Jun-16 Tot #</b>
Barre Project Independence	0	0	0
Bennington Project Independence	0	2	0
CarePartners Adult Day Center	0	0	0
Elderly Services, Inc.	0	7	0
Gifford Medical Center Adult Day Center	0	0	0
Green Mountain Adult Day Svc of Orleans County	0	0	0
Interage Adult Day Services	0	0	0
Out & About/Riverside	0	0	0
Oxbow Senior Independence Program	0	0	0
Riverside Life Enrichment Center	0	0	0
Springfield Area Adult Day Services	0	0	0
The Gathering Place	0	0	0
The Meeting Place	0	0	0
VNA Chittenden/Grand Isle Adult Day	0	0	0
<b>TOTAL Adult Day Wait List</b>	<b>0</b>	<b>9</b>	<b>0</b>