



*Agency of Human Services*

**Department of  
Disabilities, Aging, And  
Independent Living**

BUDGET TESTIMONY  
FEBRUARY 2010

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# Department of Disabilities, Aging and Independent Living

## Budget Testimony 2010 Legislative Session

The Department of Disabilities, Aging and Independent Living is responsible for services to elders and Vermonters of all ages with disabilities, except for services directly related to mental health.

*Our mission is to make Vermont the best state in which to grow old or live with a disability, with dignity, respect and independence.*

DAIL consists of four divisions:

- Division for the Blind and Visually Impaired (DBVI)
- Division of Disability and Aging Services (DDAS)
- Division of Licensing and Protection (DLP)
- Division of Vocational Rehabilitation (VocRehab Vermont)

The Commissioner's Office includes the Deputy Commissioner, Executive Assistant, Information Technology Unit, the Business Office, and the Legal Unit.

### **Division and Major Programs**

- Division for the Blind and Visually Impaired
  - Rehabilitation/Vocational Services
  - Independent Living Services
  
- Division of Disability and Aging Services
  - Services for older Vermonters and adults with physical disabilities
    - Adult Day Services
    - Attendant Services Program
    - Older Americans Act Services through the Area Agencies on Aging
      - Information, Referral and Assistance (Senior HelpLine)
      - Case Management
      - Food and Nutrition Programs
      - Dementia Respite Grants

- National Family Caregiver Support Program
- State Health Insurance Program (SHIP)
- Health Promotion and Disease Prevention
- Legal Assistance
- Aging and Disability Resource Connections
- Home Delivered Meals for Younger Adults with Disabilities
- Choices for Care 1115 Demonstration Waiver – care settings
  - Home-based
  - Enhanced Residential Care homes
  - Nursing homes
  - PACE (Program for All-Inclusive Care for the Elderly)
- Senior Community Employment Services
- Long-Term Care Ombudsman Program
- Housing and Supportive Services
- Traumatic Brain Injury (TBI) Waiver (part of Global Commitment)
- Public Guardian Services for Older Vermonters and Adults with Developmental Disabilities
- Services for individuals with Developmental Disabilities (part of Global Commitment)
  - Community supports
  - Crisis supports
  - Respite
  - Case management
  - Flexible Family Funding
  - Residential services
  - Employment supports
- Children’s Personal Care Services (part of Global Commitment and appears in OVHA’s budget)
- High Technology (High Tech) Services (part of Global Commitment and appears in OVHA’s budget)

➤ Licensing and Protection

- Survey and Certification – 17 Nurse Surveyors respond to complaints and survey from 98 Medicare and Medicaid certified providers and facilities.
- State Licensure/Designation of 156 facilities and agencies: Nursing Homes; Residential Care Homes; Assisted Living Residences; Intermediate Care Facilities/Mental Retardation (ICF/MR); Home Health Agencies; and Therapeutic Community Residences (TCRs) by the same 17 Nurse Surveyors.

- Adult Protective Services (APS) 7 field investigators, 996 investigations resulting from 2,452 reports.
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The attached packet of information includes the forms requested by the Secretary of Administration and the Appropriation Committees that were not included in the AHS Budget Book.

### **Crosswalk Spreadsheet**

The requested SFY11 Budget Development Form provides the information requested by the Appropriation Committees.

### **Additional Requested Information**

The requested forms, which were not included in the AHS Budget Books, are included in the attached packet of information.

### **Vacancy Savings**

The budgeted vacancy savings amount of (\$497,234) is 2.38 % of total budgeted salaries and fringe. DAIL does not plan to intentionally leave any position vacant for the year.

### **Performance Measures (please see the DAIL Annual Report for more details)**

- The Division of Vocational Rehabilitation and Division for the Blind and Visually Impaired performed remarkably in spite of the very difficult job market. Although the number of successful rehabilitations in FFY 2009 dipped, breaking a 17-year record of continuous growth, VR still exceeded its FFY 2007 rehabilitation count and served more customers than ever before—over 9,000 Vermonters with disabilities. With Vermont suffering an overall job loss in FFY 2009 of 3.5%, VR beat the odds by keeping its shortfall in successful employment outcomes to 2.8% below last year's count. VR had successful employment outcomes with 1,480 of the 2,433 individuals who closed their cases with VR in FFY 2009, after having developed a plan for employment.
- The Choices for Care Waiver continues to provide options to individuals needing care and support to meet their long-term are

needs. We have seen the impact of the High Needs Group wait list, which has been in place since February 1, 2008 as planned attrition from that group has taken place as shown in the following table. As of 1/21/10, there were 65 people on the wait list.

SFY	July 1, 2008	July 1, 2009
Nursing Home	2059	2053
Home-Based	1494	1474
Enhanced Residential Care	340	314
Moderate Need	1102	1208

On July 1, 2009, there were 1,474 Vermonters who qualified for nursing home level of care receiving services in home-based settings, 314 in Enhanced Residential Care Homes and 2,053 in nursing homes. 492 more Vermonters are receiving care and support in home and community based settings compared to when the Choices for Care waiver started October 1, 2005. A wait list for High Needs Group services was started February 1, 2008. DAIL recently announced that 35 individuals on the High Needs Group applicant list will be able to start receiving services in the setting of their choice. Prior to that announcement, there were 66 individuals on the wait list.

- As part of the Choices for Care waiver, nursing homes continue to provide quality care and supports. Vermont has 42 nursing homes; 39 accept residents whose care is paid for by Medicaid. In December 2009, 11 of those homes had occupancy levels below 90 % and five were below 85%. The number of beds has slowly decreased from 3,419 when the Choices for Care Waiver started Oct. 1, 2005 to the current 3,252 beds. There were 307 vacant beds as of November 1, 2009.

The case mix (acuity level) of residents has continued to rise as expected under the Choices for Care waiver.

- Vermonters with developmental disabilities continue to be served in the community at a lower cost in state funds than most other New England states and lower than the national average.

- Vermont continues to be ranked first in the nation for people with developmental disabilities who receive supported employment. Service providers helped 38% of working age adults with developmental disabilities to work (909 Vermonters). \$1,433,476 was saved in public benefits (SSI) due to people working and \$583,406 was gained in employer/employee tax contribution.
- The Traumatic Brain Injury (TBI) program continues to minimize out-of-state placements, serving Vermonters in-state at a much lower cost and keeping them near family and friends. 86 Vermonters were served in SFY2009. Since implementation of the original waiver in 1992, out-of-state placements dropped from a high of 20 (FY '92) to 4 in FY '09.

In SFY09, the average care plan was \$5,587 per month compared to the average out-of-state cost of \$17,000 per month.

- The Area Agencies on Aging (AAAs) continue to provide important services to older Vermonters and their families during these difficult times. For instance, the Senior HelpLine responded to 26,459 calls for information and assistance in FFY08. Many of these calls involved problems with Medicare Part D, housing, transportation and care giving needs.
- Through the AAAs, Dementia Respite Grants were provided to 297 individuals with dementia and their family caregivers. Federal funding for this program ended with the completion of the Alzheimer's Disease Demonstration Grant, which resulted in a 44% decrease in grants to family caregivers; \$1,500 to \$1,000.

## Noteworthy Changes from SFY10 to SFY11 Request

**Total SFY10 DAIL Big Bill as passed** **\$204,414,306**

**Total Change SFY10 to SFY11 Recommended Budget** \$ 4,865,893  
 ➤ SFY10 Rescissions/Reductions (\$ 2,266,944)  
 ➤ SFY11 Ups & Downs \$ 7,132,837

**Total SFY11 Governor's Recommended Budget** **\$209,280,199**

### DAIL Administration & Support Section

➤ Total after SFY10 Rescissions \$ 26,465,072  
 ➤ SFY11 increase in Administration & Support \$ 1,305,532  
 ➤ SFY11 Recommend \$ 27,770,604  
 ➤ Positions: Prior to reductions = 316  
                     Reductions in SFY2010 = 32  
                     Current positions = 261  
                     Total reductions = 55

### DAIL Division of Disability and Aging Services Grants

➤ Total after SFY10 Rescissions \$22,233,527

### Increases/Budget Neutral Transfers:

➤ Day Health Rehabilitation Services (DHRS) \$ 343,443  
     increased enrollment  
 ➤ Transfer from DAIL to DCF for AAA Medicaid  
     Outreach efforts (net neutral to AHS) \$ 150,000

### Reductions

➤ Eliminate HASS Housing and Supportive  
     Services grants (\$ 351,390)  
 ➤ Eliminate housing and supportive services  
     planning funding (\$ 100,000)  
 ➤ Eliminate remaining GF base funding for  
     Adult Day services providers (\$ 109,995)  
 ➤ Eliminate Adult Day Services emergency fund (\$ 23,655)  
 ➤ Reduce GF to Area Agencies Aging by 3% (\$ 146,698)

➤ Eliminate grant to Kidney Association	(\$ 30,000)
➤ Eliminate grant supporting Foster Grandparents Program	(\$ 41,064)
➤ Eliminate grant supporting Senior Companion Program	(\$ 74,500)
➤ Reduce funding for LTC Ombudsman Program	(\$ 127,430)
➤ Eliminate funding for Caregiver Registry contract	(\$ 40,000)
➤ Redesign GF component of Attendant Services Program to include asset/income test	(\$ 1,000,000)
➤ Eliminate Neighbor to Neighbor support grant	(\$ 120,000)
➤ Eliminate So. Burlington Community Housing grant	(\$ 10,300)
➤ Eliminate potential for other housing grants	(\$ 29,700)
➤ Eliminate grant to Vermont Center for Independent Living for home modifications	(\$ 100,000)

#### Blind and Visually Impaired Division

➤ Total after SFY10 Rescissions	\$ 1,481,457
➤ SFY11 Decrease	<b>(\$ 31,745)</b>
○ Case Services	(\$ 31,745)

#### Vocational Rehabilitation Division

➤ Total after SFY10 Rescissions	\$ 7,302,971
➤ SFY11 Decrease	<b>(\$ 260,475)</b>
○ Eliminate set aside for van purchases and modifications	(\$ 175,000)
○ Eliminate self-employment set aside	(\$ 25,000)
○ Eliminate home modification set aside	(\$ 15,000)
○ Eliminate TBI set aside	(\$ 10,000)
○ Reduce Case Service contingency fund for high cost services	(\$ 35,475)

Developmental Services Program

➤ Total after SFY10 Rescission	\$140,619,436
➤ <b>SFY11 increases</b>	<b>\$ 6,680,537</b>
Caseload – general	\$ 3,337,173
Caseload – high school graduates	\$ 1,788,020
Caseload – Public Safety/Act 248	\$ 1,555,344
<b>Reductions</b>	<b>(\$ 1,249,723)</b>
➤ Reduce Flexible Family Funding	(\$ 475,705)
➤ Eliminate 4 <sup>th</sup> DS State respite home	(\$ 160,000)
➤ Eliminate DS Medicaid Targeted Case Management	(\$ 596,518)
➤ Eliminate funding for Green Mtn. Self Advocates handbook	(\$ 17,500)
<b>Net Neutral AHS Transactions between Departments</b>	<b>\$ 2,800,000</b>

Traumatic Brain Injury (TBI) Program

➤ Total after SFY10 Rescissions	\$ 4,044,899
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No changes in SFY11 Governor's Recommend

**Programs Managed by DAIL, but Appropriated to OVHA**

<u>Children's Personal Care Services</u>	\$ 1,000,000
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- Reduction in expenditures through better assessment tool and process

Choices for Care (CfC) 1115 Demonstration Waiver  
 (appears in OVHA's budget)

CfC Spending Plan – Each year, DAIL creates a spending plan year using the amount appropriated to the long-term care budget. The final SFY2010 after rescissions was \$203,314,995 (acute and LTC). The Governor's Recommend is \$208,933,456. This includes estimated expenditures for nursing homes, home- and community-based services (including the Program for All-Inclusive Care for the Elderly -PACE) and other Medicaid acute/primary care costs for CfC participants.

Once we have our final '11 budget, we will develop a plan for that fiscal year.

➤ Total after SFY10 Rescissions \$203,314,995

**SFY11 Changes in Choices for Care** **\$ 8,007,714**  
 (not including acute budget of CfC)

Pressures

53 <sup>rd</sup> EDS payment	\$ 5,835,000
Nursing Home inflation per regulations	\$ 2,800,000
Nursing Home 3% increase for out-of-state placements, Crossover claims and Swing Bed utilization	\$ 210,000
Nursing Home case mix "creep" in past rebase year	\$ 1,800,000
Increases in Surrogate/Consumer-Directed Unemployment and Workers' Comp. costs	\$ 195,638
Nursing Home extraordinary financial relief	\$ 1,500,300

Reductions

Nursing Homes – reduce weight allocated to 4 lowest case mix scores by 50%	(\$ 800,000)
HCBS – Modify rules to change reimbursement For Moderate Needs Group from 15 minute units to monthly rate of \$50.	(\$ 303,869)
HCBS – Reduce home health agency-directed Personal Care Attendant rate from \$26.15/hr. to \$22.00/hr.	(\$ 1,941,652)

HCBS – Modify rules to change reimbursement from 15 minute units to \$110 monthly rate for home-based case management services.	(\$ 426,002)
HCBS – Modify rules to tighten personal care variances; maintain variance in service hours for Respite and Companion services.	(\$ 583,787)
HCBS – Flexible Choices option, change procedures to reduce authorized budgets and actual expenditures by 10%. Eliminate annual carryover of unspent funds.	(\$ 253,224)
HCBS – Modify regulations to reduce case management for Enhanced Residential Care participants to 3 hrs/yr.	(\$ 24,690)

**Total Changes for Choices for Care** **\$ 8,007,714**  
(not including acute care for CfC)

**Note:** anticipated loss of enhanced FMAP equals \$9,541,907 which will have to be covered with GF.