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**Report to  
The Vermont Legislature**

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**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 Catherine Toll, 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:** Al Gobeille, Secretary  
Agency of Human Services

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**Report Date:** October 1, 2017



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

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## 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 adequacy of Choices for Care services to Vermonters who are eligible and require that level of care. For the purpose of this report, “adequacy” means “**availability of services to Vermonters who need and choose them.**”

Though the Department does not anticipate available SFY2017 savings for reinvestment, information in this report may be used to inform other systemic improvement efforts.

The following sources contributed to this report:

- 2016 VT Long-Term Services and Supports HCBS Consumer Survey Report: [http://asd.vermont.gov/sites/asd/files/documents/VT LTC Consumer Satisfaction Survey 2015-Final.pdf](http://asd.vermont.gov/sites/asd/files/documents/VT_LTC_Consumer_Satisfaction_Survey_2015-Final.pdf).
- Choices for Care Medicaid Claims Data & SAMS Enrollment Data.
- Money Follows the Person (MFP) multi-state workforce workgroup.
- Stakeholder Feedback via Medicaid Pathway Workgroup (2016), Moderate Needs Workgroup (2017), provider collaboration meetings, DAIL Advisory Board, State Long-Term Care Ombudsman, 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 while contributing to three of Vermont’s Act 186 Performance Outcomes:

- Vermonters are Healthy
- Vermont’s’ elders live with dignity and in the settings they prefer
- Vermonters with disabilities live with dignity and in the settings they prefer.

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 facility services. As a frame of reference, the [2016 Adequacy Report](#) identified Moderate Needs funding and Enhanced Residential Care services as a focus for CFC savings and reinvestment realized in SFY17.

This report highlights the following topics as areas impacting the adequacy of the Choices for Care System: Consumer Satisfaction, Choices for Care Data, People with Complex Needs, Caregiver Workforce Crisis, and Recent Choices for Care Improvements. We also draw some conclusions and offer some recommendations.

### III. Consumer Satisfaction

In January 2016, Thoroughbred Research Group published the *2015 Vermont Long-Term Services and Supports HCBS Consumer Survey Report*.

([http://asd.vermont.gov/sites/asd/files/documents/VT\\_LTC\\_Consumer\\_Satisfaction\\_Survey\\_2015-Final.pdf](http://asd.vermont.gov/sites/asd/files/documents/VT_LTC_Consumer_Satisfaction_Survey_2015-Final.pdf))

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 continued to show high levels of satisfaction for people enrolled in DAIL managed long-term services and supports, the report identified some key areas that had the highest potential for improvement and to maintaining the goals of our system, and that relate most closely to the topic of this report: availability of Choices for Care services. Those areas included:

1. Ensuring people have choice and control over their services
2. Ensuring people get services the way they want them
3. Continuing to assure people get services in their current residence

DAIL is currently transitioning to the National Core Indicators for Aging and Disabilities, with the goal of implementation in late 2017. Though this transition creates a one-year gap between consumer surveys, it creates new opportunities to compare Vermont outcomes to national standards and to create alignment with federal Home and Community-Based Services (HCBS) regulations regarding person-centered planning, community integration and setting characteristics.

### IV. Choices for Care Data

DAIL generates Choices for Care (CFC) data for the purpose of monitoring utilization, spending and creating the annual budget. One primary goal of CFC is to increase overall utilization of home and community-based settings (HCBS) rather than exclusive use of skilled nursing facilities. This trend, and the measurement of our success in achieving an increase in HCBS utilization, allows us to assess consumer choice, options for care and the maintenance of a cost effective long term services and supports system, all goals for Choices for Care. Of note this year, our data shows an overall slowing of enrollments over the last three years:

	Change in Utilization			
	% change	% change	% change	% change
<b>Choices for Care (CFC) Setting</b>	Jun14-Jun15	Jun15-Jun16	Jun16-Jun17	3-years
Enhanced Residential Care (ERC)	8%	11%	-3%	17%
Home-Based (traditional)	-3%	5%	1%	2%
Flexible Choices	-1%	4%	6%	9%
Adult Family Care (AFC)	154%	67%	45%	515%
Nursing Facility (NF)	-8%	-2%	7%	-3%
Moderate Needs	24%	-7%	-9%	6%
<b>Total all settings</b>	<b>3%</b>	<b>1%</b>	<b>0.5%</b>	<b>4%</b>

Source: SAMS point-in-time enrollments June 2014, June 2015, June 2016 and June 2017.

Though Adult Family Care (AFC) has the smallest number of participants (currently 80 people), it has shown the largest increase in the past year (45%). Nursing facility utilization has shown the second largest area of growth (7%) and out-paced all other high/highest setting options by 1%.

As of June 2017, nursing facility enrollments represent 46% of all CFC Highest/High Needs Group enrollments, while all home-based options represent 42% and Enhanced Residential Care represents 12%, for a total of 54% of individuals requiring a nursing home level of care receiving supports in community settings. This is a decrease of 1% from last year. This is likely due to the increased pressure on the caregiver workforce, making it challenging to maintain personal care attendants and high-quality care in a home-based setting.

<b>Choices for Care (CFC) Setting</b>				
<b>High/Highest</b>	<b>Jun-16</b>	<b>% total</b>	<b>Jun-17</b>	<b>% total</b>
Enhanced Residential Care (ERC)	507	13%	491	12%
Home-Based (traditional)	1478	38%	1494	37%
Flexible Choices	126	3%	133	3%
Adult Family Care (AFC)	55	1%	80	2%
Nursing Facility (NF)	1774	45%	1892	46%
<b>Total all settings</b>	<b>3940</b>	<b>100%</b>	<b>4090</b>	<b>100%</b>

Source: SAMS point-in-time enrollments June 2016 and June 2017.

#### Percent of Claims Paid to Services Authorized

Each person on Choices for Care has an authorized Service Plan. From the beginning of Choices for Care, it was common that people in the home and community-based settings would consistently receive less than their authorized service plan. This can be seen by comparing the Medicaid claims paid to the services authorized. The reasons for this are varied and can be related to transitions a person may be experiencing between settings, over anticipation of needed services, or the lack of available and appropriate staffing. Using a one-month point-in-time comparison of the Medicaid claims paid for all home and community-based Choices for Care services in June of 2015 and June of 2017 to the SAMS authorized plans in those same months, the percent of paid claims for services provided to

authorized plans has gone from 69% in June of 2015 to about 56% in June of 2017. Though this is only a single month point in time comparison, it reflects the concerns of participants, program staff and providers related to the difficulty in finding qualified workers to fulfill the authorized plans of care. This trend, if it continues, is alarming and could significantly impact our ability as a state to continue to provide options and a robust system of community-based care.

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

One area of need that continues to be identified through stakeholder feedback and program experience, is for services that can adequately support Vermonters with complex medical, mental health and behavioral needs. The problem is that some people with complex needs get “stuck” in the hospital or in out-of-state facilities due to the lack of specialized care providers in Vermont. This is not desirable due to the distance from home and family, the removal from community and the typically higher cost to the State.

While DAIL continues to create specialized arrangements on a case-by-case basis for a small number of people, DAIL has also been working with the Department of Mental Health to explore ways to better support people systemically in the setting that they choose. For example, DAIL has been working to expand the use of Adult Family Care services for people whose specialized needs can best be met in a small, individualized community setting. DAIL has also been working with the nursing facility industry to identify barriers to people receiving care in a Medicare/Medicaid certified nursing facility. The increased focus on this issue has led to conversations with at least one Vermont facility who is actively exploring the possibility of creating an in-state specialized nursing facility option for Vermonters with a combination of complex medical, mental health and/or behavioral health needs. The goal is to create an in-state option for people with specific care needs who might otherwise remain hospitalized or be sent out of state to receive their care, recognizing that for some people the need is transitional and that an appropriate setting and care plan could facilitate a step down to living in the community.

## **VI. Caregiver Workforce Crisis**

Vermont is experiencing a caregiver workforce crisis that requires action. This is evident not only in Choices for Care, but across multiple providers and human services systems. Some factors to consider include:

1. Vermont’s older population is growing quickly and will experience a huge growth in the need for professional caregivers.
2. Though it is a small change (1%), this is the first time that the percent of nursing facility enrollments as compared to other Choices for Care settings has gone up since the start of Choices for Care.

3. The Money Follows the Person Grant is experiencing a high number of people returning to facilities and lower numbers of people transitioning to the community due to lack of caregiver staff and housing options in the community.
4. At least two home health agencies in the last 6 months have notified the State about temporary freezes or discontinuation of services to individuals due to a critical lack of staffing.

Some recent efforts DAIL is taking to assist in the workforce crisis include:

- In 2016, Vocational Rehabilitation received a \$9 million dollar grant called “[Linking Learning to Careers](#)” which is focused on helping high school students with disabilities access education and training needed to enter the workforce in their chosen careers. This grant will give DAIL the opportunity to include caregiver/healthcare career pathways for youth as well.
- DAIL has been working with designated home health agencies to encourage them to enter into subcontracting arrangements with non-medical homecare providers to help fill the gap for Medicaid personal care and skilled homecare services.
- The DAIL Money Follows the Person (MFP) team is engaged with CMS in a multi-state workgroup designed to create state-specific strategies to address the work force crisis. The goal is to have a proposed plan by the end of the Calendar year that will inform DAIL of potential next steps.

## VII. Recent Choices for Care Program Improvements

### Rates

DAIL has made the following legislatively approved rate increases to the Choices for Care program over the last year:

- September 1, 2016: DAIL increased rates by 2% for home-based personal care, respite and companion services, Adult Day, Enhanced Residential Care, Adult Family Care and self-directed budgets.
- March 2017: DAIL reinvested approximately \$481,000 in a one-time savings for a Moderate Needs rate adjustment.
- May 1, 2017: DAIL reinvested approximately \$321,000 in savings toward a rate increase for Enhanced Residential Care and continued that rate increase in SFY’18.
- July 1, 2017: DAIL increased home and community-based services rates by 2%.

Though the rate increases are a positive step in addressing some of the home and community based services (HCBS) adequacy issues, it has not yet had an impact on the continued work force issues that have been identified.

### CFC Moderate Needs Group Reform

Home Health Agencies report continued growth in the number of people waiting for CFC Moderate Needs Group homemaker services. Currently over 600 people statewide are on home health agency wait lists for homemaker services, while overall enrollment data shows a continued decline in total enrollments.

Feedback from providers and stakeholders during the Long-Term Services & Supports Medicaid Pathway workgroup in 2016 identified the challenges providers have in managing Moderate Needs Group services due to the combination of limited funding, low fee-for-service rates, fluctuating annual budgets and broad eligibility criteria. In response to the feedback, the Department of Disabilities, Aging and Independent Living (DAIL) has brought together a stakeholder subgroup of the DAIL Advisory Board to create a set of recommendations for potential changes to the Moderate Needs Group program. The goal is for the subgroup to identify concrete recommendations by the end of calendar year 2017 for DAIL to respond to with next steps. Recommendations may include changes to service eligibility, delivery and/or payment reform.

## **VIII. 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, people receiving services in the setting of their choice and incremental rate increases. However, data and stakeholder feedback indicate areas of need related to residential options, rates, staffing and moderate needs program structure.

Based on stakeholder feedback and program data, DAIL recommends that future program investments continue to ensure that Vermonters have as much choice and control over their services as possible with a focus on:

- Workforce support and development
- In-state options for people with complex needs
- Moderate Needs Group program reform