

# State of Vermont

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Michael K. Smith  
Secretary of Administration

Patrick Flood  
Commissioner, DAIL



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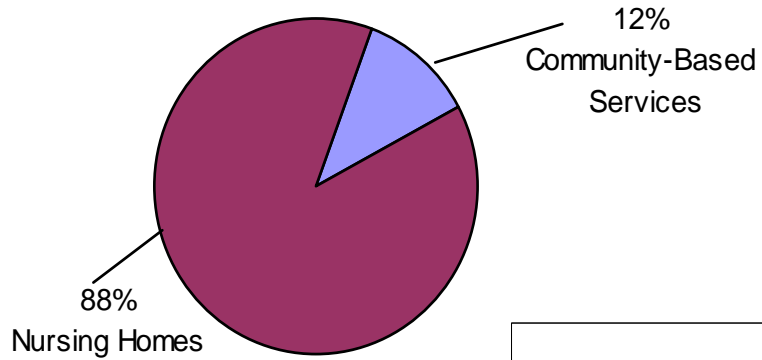
# Shifting the Balance Act 160

Vermont Department of  
Disabilities, Aging, and Independent Living

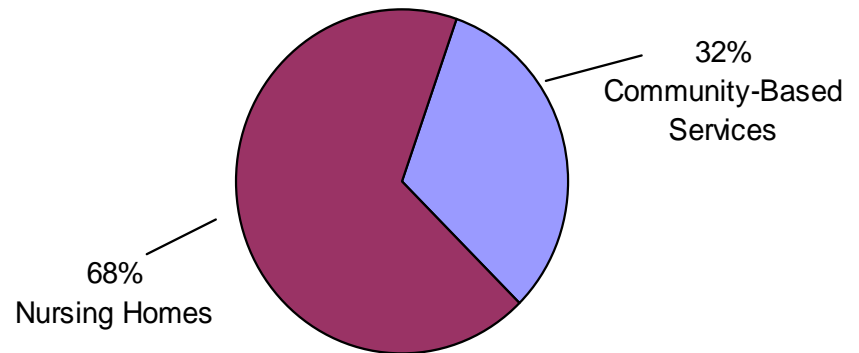
The reductions required in subsection (a) of this section shall be redirected in fiscal year 1997 to fund home and community-based services. For fiscal year 1998 and thereafter, the reductions required in subsection (a) of this section shall be redirected in that fiscal year to fund both home and community-based services and any programs designed to reduce the number of nursing home beds. **Any general funds that are redirected but not spent during any fiscal year shall be transferred to the long-term care special administration fund which is hereby created.**

# Public Expenditures for Long Term Care

**FY 1996**

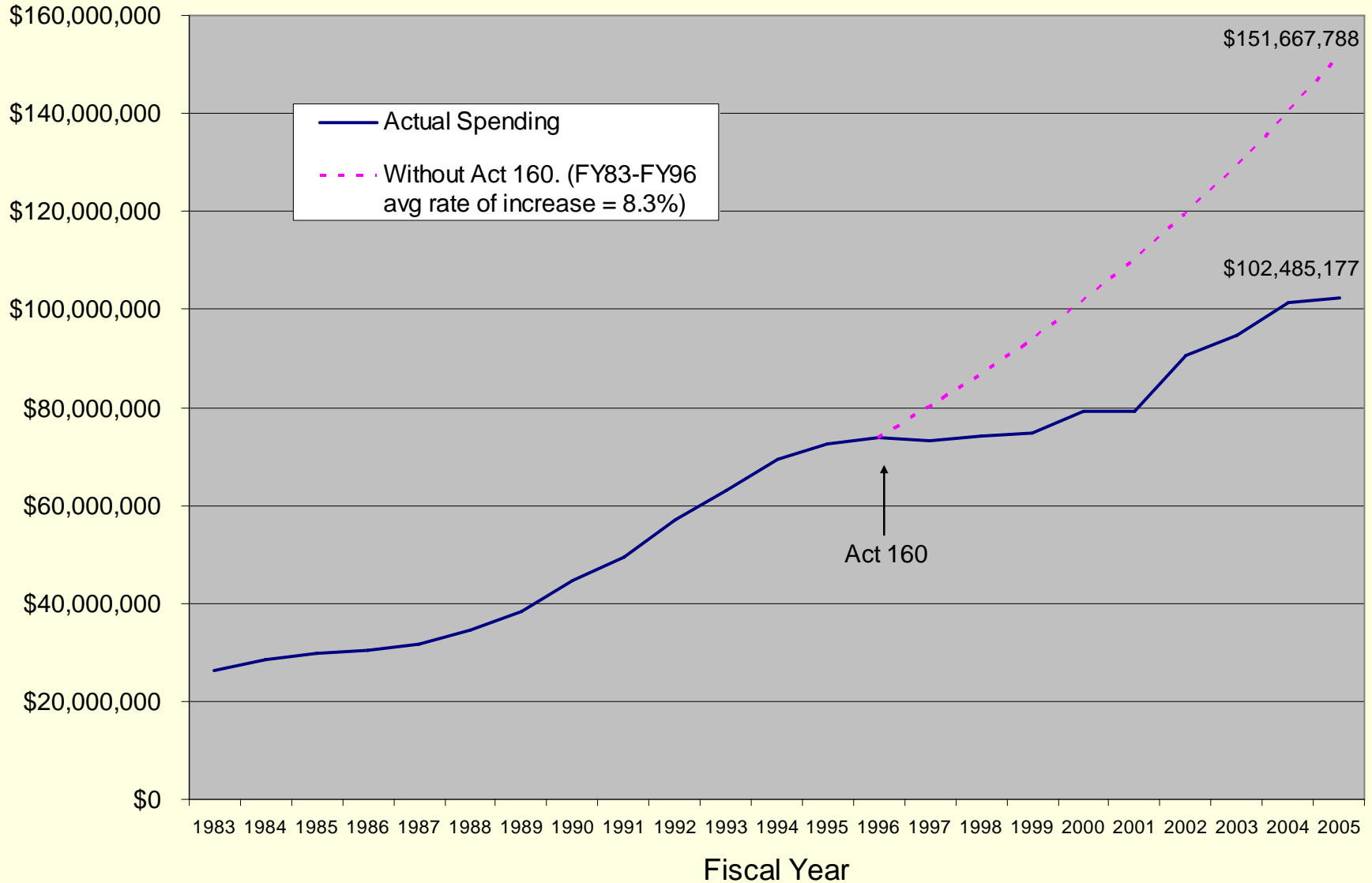


**FY 2005**

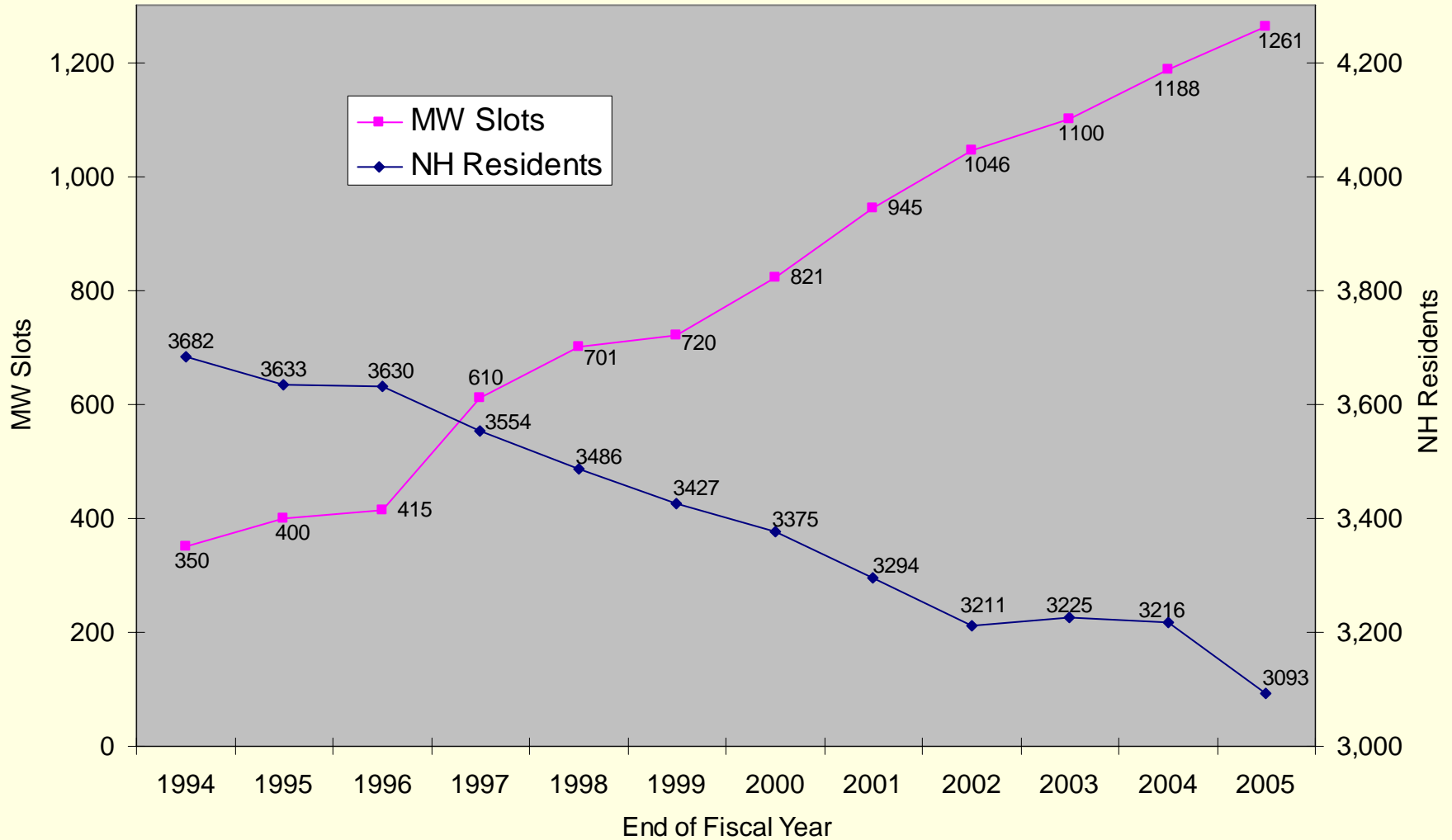


# Nursing Home Medicaid Expenditures

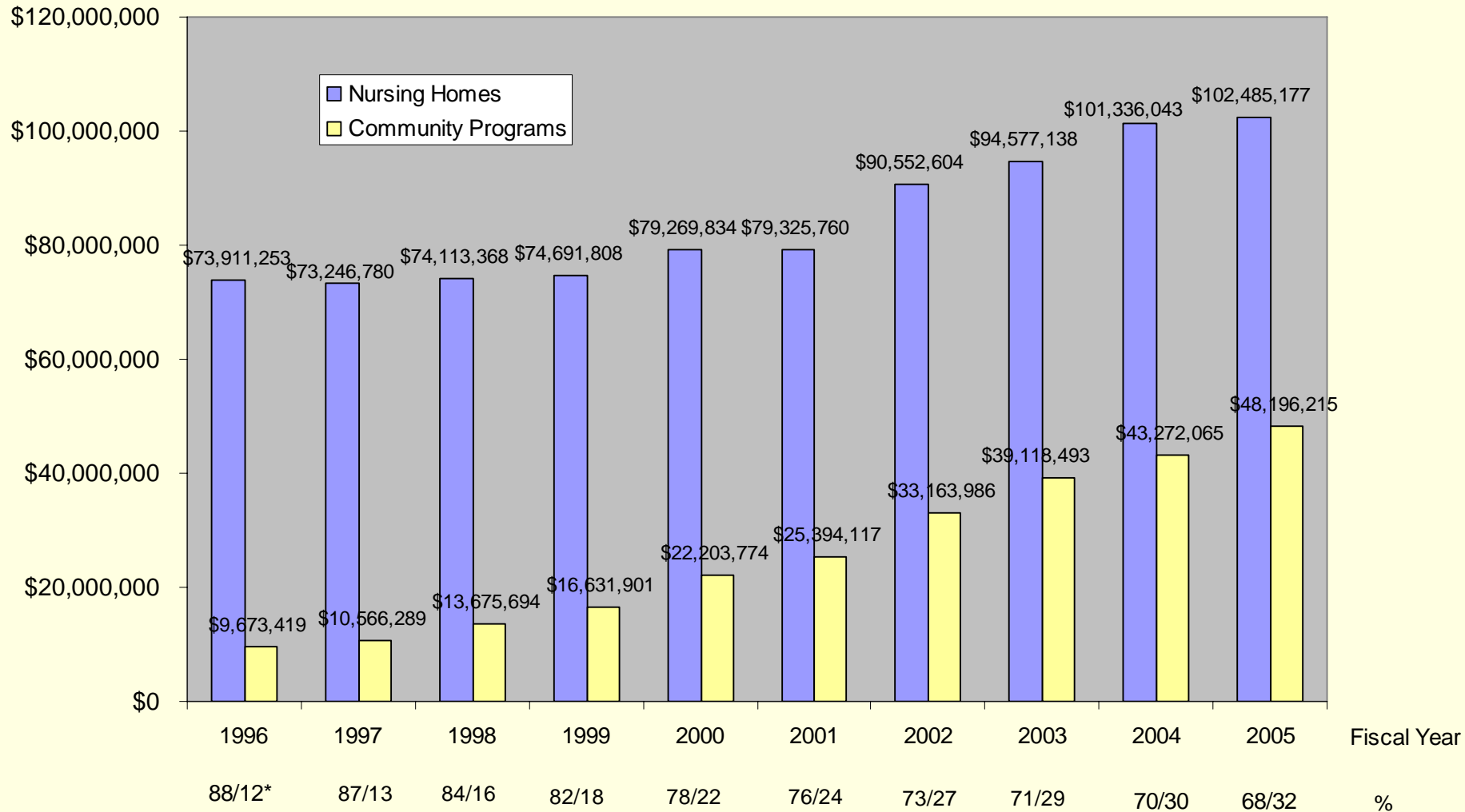
## Actual vs "Without Act 160" \*



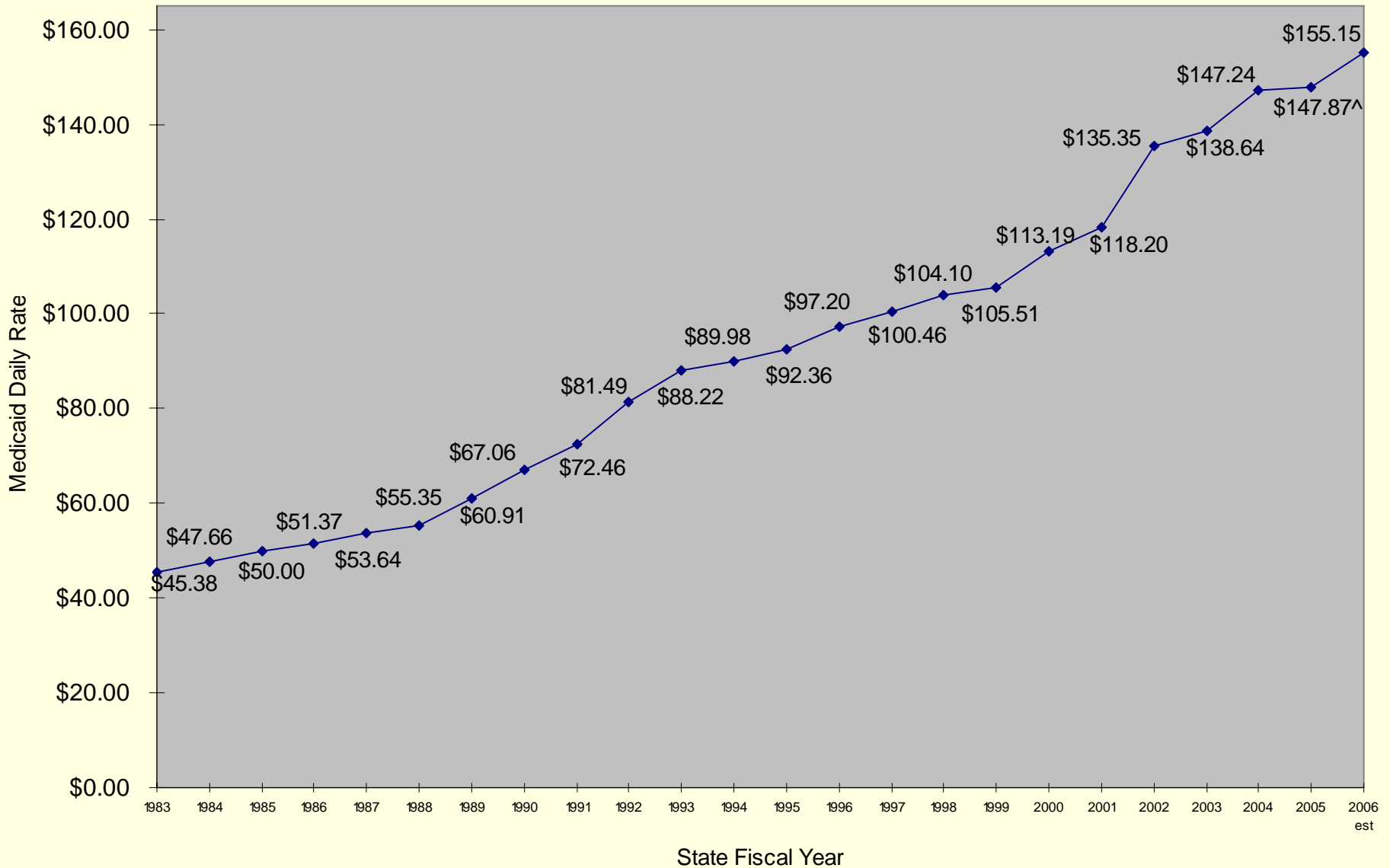
# Decline in Vermont's Nursing Home Residents vs Growth in H&CB\* Medicaid Waiver Slots



# Comparison of Public Expenditures for Nursing Homes and Home & Community-Based Programs FY 1996--FY 2005



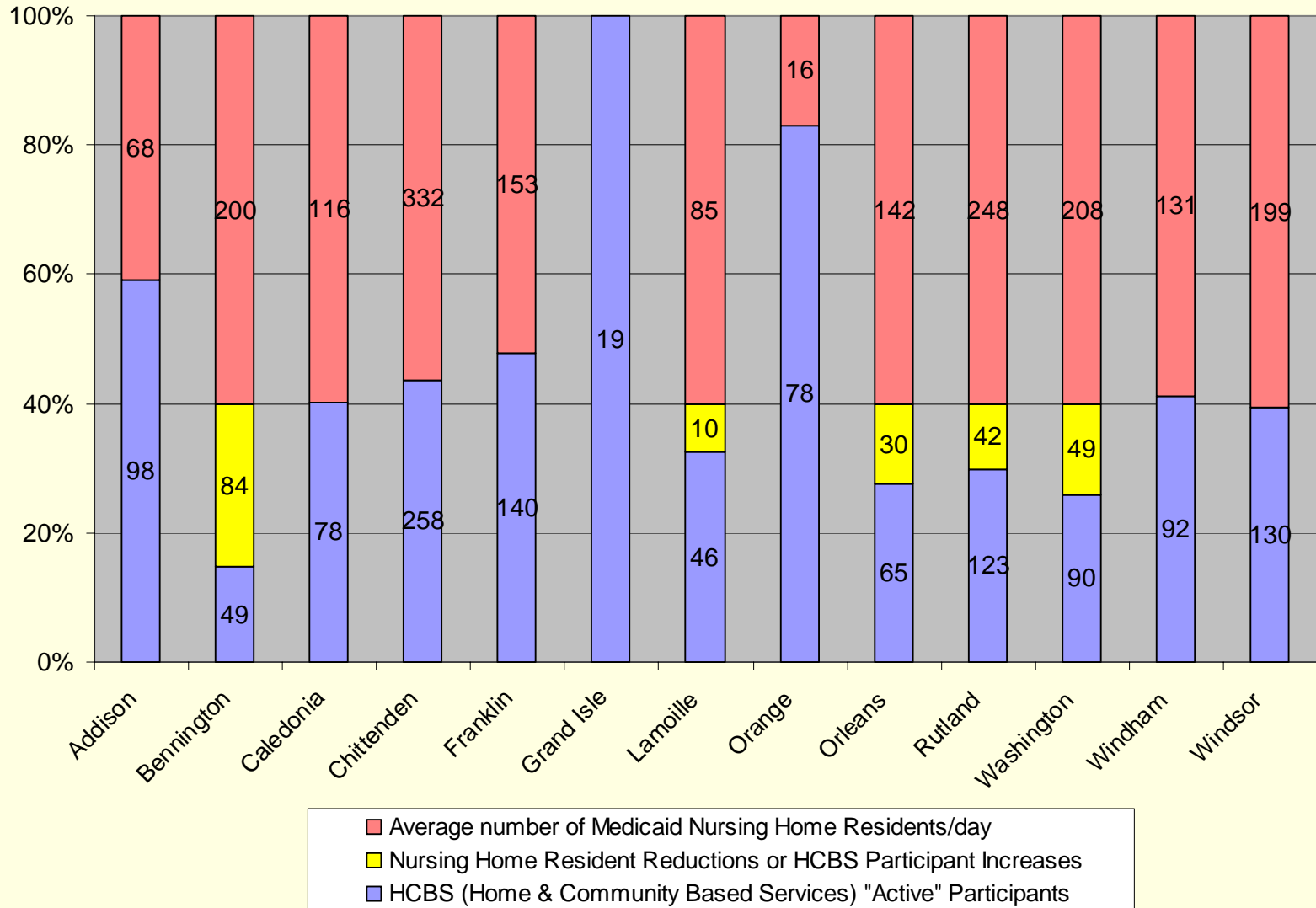
# Average Medicaid Daily Rate\* for VT Nursing Home Beds



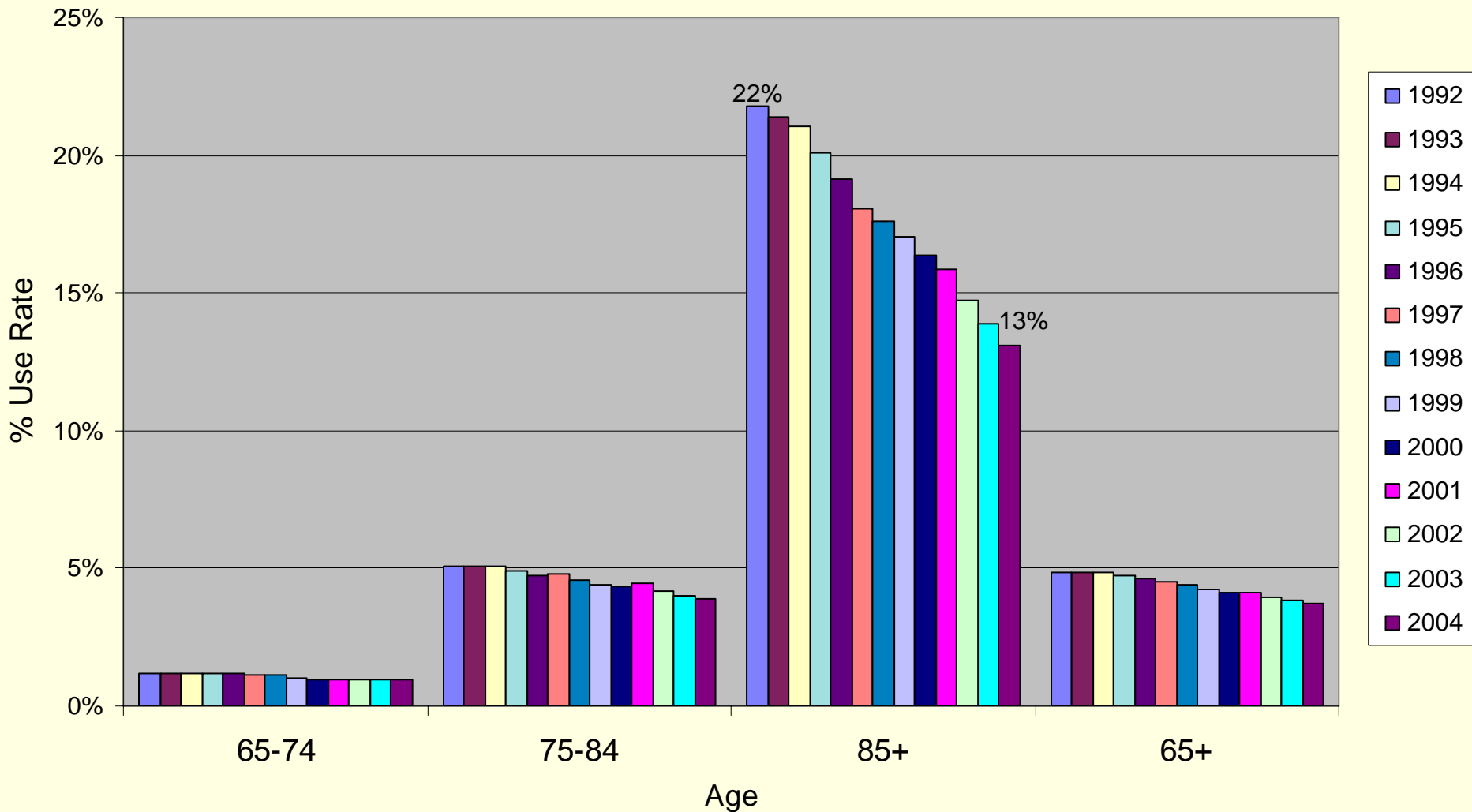


# Medicaid *Choices for Care*: Nursing Home Residents and Home & Community-Based Participants--March 2006

## Changes (Yellow) Needed to Achieve 60/40 Balance



# Percent of Vermont Elders Residing in Nursing Homes--By Age 1992-2004



# Saving a Nursing Home

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## Problem:

- 120 beds
- 30-40 empty beds
- Losing \$500,000 per year
- Needed some, not all of the beds

# What We Did:

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- Right size to 80 beds
- Increase rate to cover fixed costs
- Used some savings for additional slots
- Home is fine, 98% full and making a small profit

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# Vermont's 1115 Long-Term Care Waiver Proposal

*Choices for Care*



“Services Consumers Prefer”

# Goals for this Proposal

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- Provide choice and equal access
- Serve more people
- Manage the costs of long term care
- Improve the system
- Create a balanced system
- Prevention

# Keys to Success

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- Expand, but manage entitlement to both nursing home care and home-based care
- Give consumers choice and equal access
- Serve more people as funds become available



# EXISTING SYSTEM

High

**Nursing Home**

**Home & Community-Based Waiver**

**Enhanced Residential Care Waiver**

**Eligibility  
threshold**

**Acuity**

**Not Nursing Home Level of Care**

Low

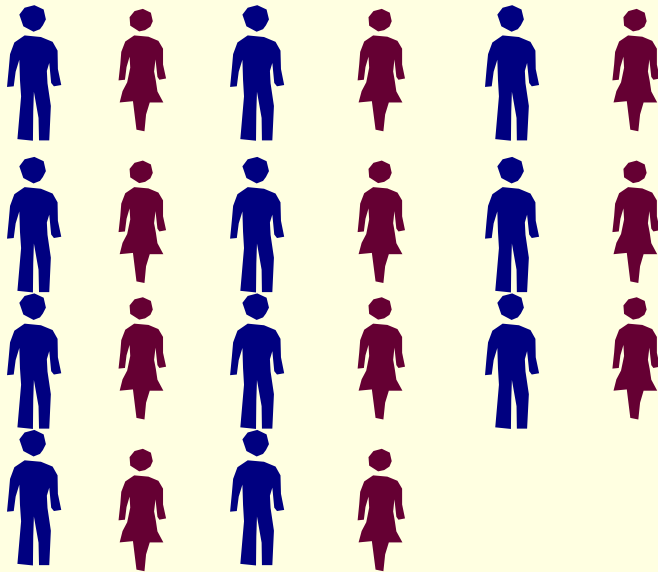


# 1115 ELIGIBILITY

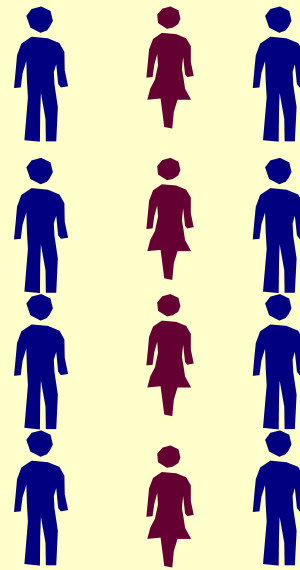


# EXISTING SYSTEM

Nursing Home Entitlement  
2200

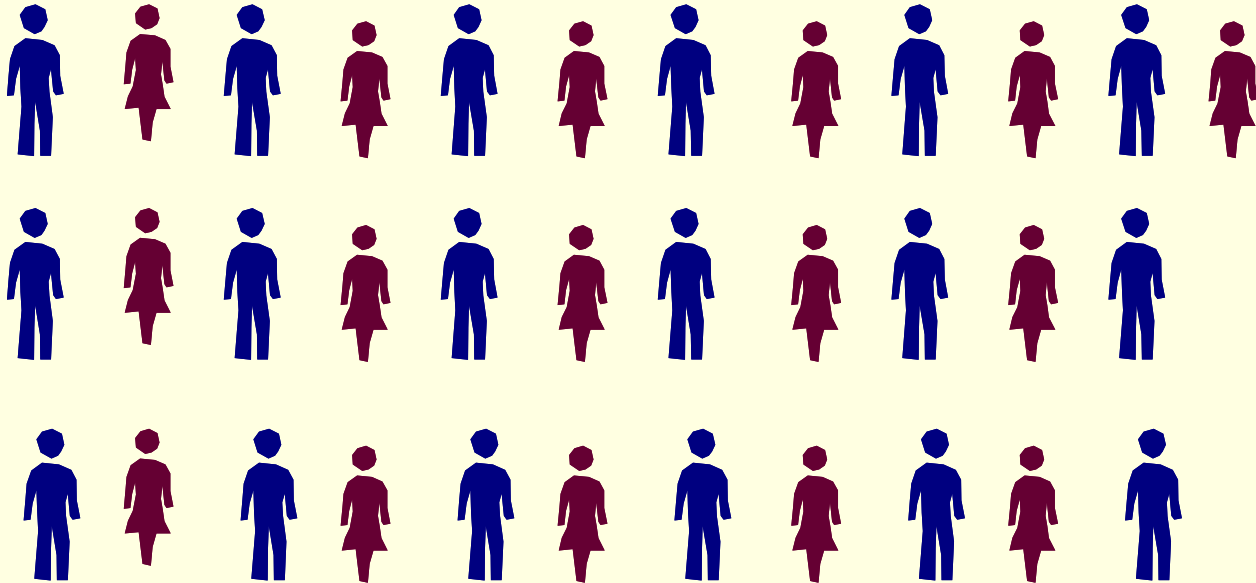


Waiver Services  
1200 Eligible but not Entitled

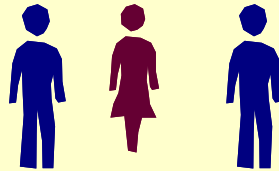


# 1115 PROPOSAL

## Highest Need (Entitlement)



## High Need Group



## Moderate Need Group



# Important Elements

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- Increase Public Information
- Increase Quality Assurance
- Community Ombudsman
- Cash and Counseling

# Important Elements

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- Preventive services for Moderate Needs Group
- Expand Resource Limit to \$10,000 for home-based care – with cost sharing
- Promote Long-Term Care Insurance

# Demonstration Elements

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- Predictors of Institutional Placement?
- Cost Effectiveness?
- Prevention and delay of institutional care?
- Improved customer satisfaction

# Demonstration Elements

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- Improved service array and system capacity?
- Impact on nursing home acuity and census?
- Impact of educational programs?



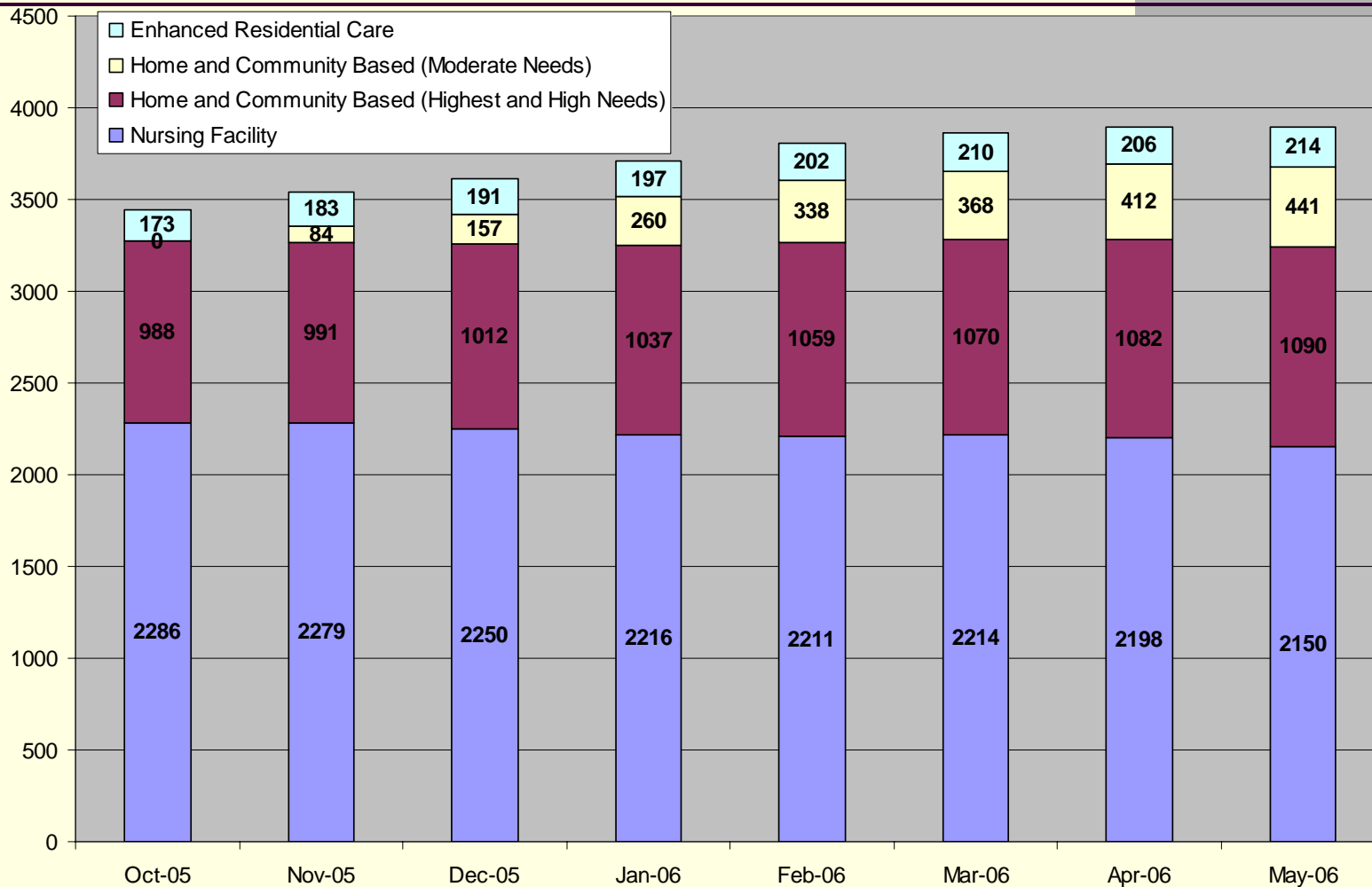
# Budget Neutrality

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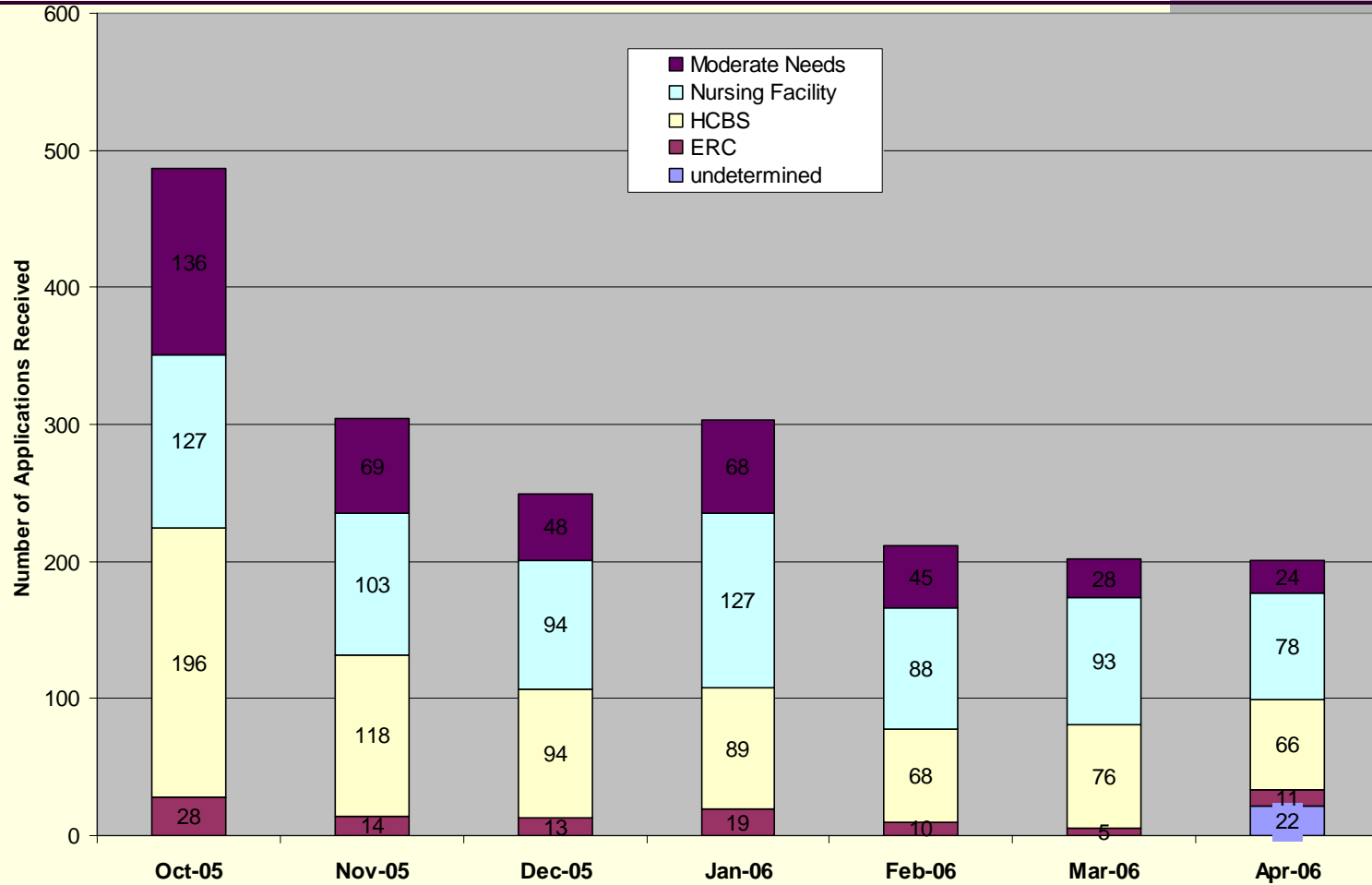
7.28% Annual Growth

- Inflation
- Case Load

## Choices for Care: Total Number of Enrolled Participants October 2005 - May 2006



## Choices for Care Applications Received by Month, by Service Program October, 2005 - April, 2006



**Choices for Care: Average Monthly Costs of Approved Plans of Care  
October, 2005 - May, 2006**

