

# **Long Term Care Reform In Vermont:**

## **An Act 160 Update**

2/20/98

In the fall of 1995, Vermonters took concrete steps to create a long term care system which was more responsive to consumers' needs and preferences. Out of their groundwork and ensuing discussions, Act 160 was passed by the 1996 General Assembly.

The new law requires Vermont's Agency of Human Services (AHS) to improve the state's independent living options for vulnerable elders and younger people with physical disabilities. To create a climate where Vermonters may live in the most independent, least restrictive environments they choose, AHS was directed to slow the growth of its Medicaid nursing home budget. AHS must redirect these dollars into home and community based services, with "consumer participation and oversight...in the planning and delivery of long term care services."

In the past year and a half, since the implementation of Act 160, Vermonters have been working to make the promise of Act 160 a reality.

### **SFY97: The First Year**

Medicaid's Home and Community Based Waiver program (HCBS), which offers consumers personal care, respite, adult day and case management services, has had a waiting list since 1989. The program, which had offered services based on the date of a consumer's application, began to offer services based on a consumer's degree of need. Shortly thereafter, the number of HCBS slots increased by 30%, making 540 slots available statewide to consumers. The Enhanced Residential Care Program, providing services to nursing home eligible Vermonters living in licensed Level III residential care homes, opened with 70 slots for consumers.

Long term care providers and case management agencies began a process to ensure that consumers considering nursing home admission were fully informed of the local, long term care options available. In addition, local communities received \$50,000 in Act 160 Flexible Funds to provide services and make purchases which consumers could not afford and typical government funding sources would not support. Finally, in January of 1997, the Agency of Human Services reduced Medicaid payments to nursing homes for their "light care" residents. After implementation, both the number and per cent of "light care" admissions fell to half of the previous quarter's level.

Within this new environment, local administrative agencies, working closely with nursing home discharge planners, began to arrange community-based services for over 100 nursing facility residents who wished to be discharged to a community-based setting. Approximately 75 of these individuals actually moved back into a community-based setting by June of 1997; only 6 people later returned to a nursing home.

Nursing home occupancy declined over the year to an all time low of 94%, and the total number of nursing home "bed days" reimbursed by Medicaid fell approximately 20,000 days. Based on consumers' decreased use of nursing homes and the one time decrease in nursing home reimbursement, AHS transferred approximately \$750,000 to community-based services, exceeding the minimum first year transfer amount of \$540,000 mandated by Act 160.

SF97 Expenditures:

<b>HCBS Waiver</b>	<b>\$311,824</b>	
<b>Alzheimer's Respite</b>	<b>\$ 12,500</b>	
<b>Flexible Funds</b>	<b>\$ 50,275</b>	
<b>Independence Fund</b>	<b>\$ 30,000</b>	
<b>Assessment Crosswalking</b>	<b>\$ 2,200</b>	
<b>Advertising</b>	<b>\$ 212</b>	
<b>Vermont Health Care Association</b>	<b>\$ 30,000</b>	
<b>SUB-TOTAL</b>		<b>\$437,011</b>
<b>Long Term Care Trust Fund</b>		<b>\$312,313</b>
<b>TOTAL EXPENDITURES</b>		<b>\$749,324</b>

In the first year, 81% of the originally projected revenue was spent. In accordance with the Department's four year plan, approximately 40% of the actual amount transferred was earmarked for second year development activities.

**SFY98: The Second Year**

As the second year of Vermont's long term care reform unfolds, Enhanced Residential Care increased its capacity from 70 to 90 slots, and HCBS added 60 slots immediately, with an additional 30 slots being authorized in February, 1998. Attendant Services funding grew by \$265,000. Program capacity increased by 7.6% and \$105,000 was used to increase wages from \$5.50/hour to \$6.25/hour. Hourly wages will increase to \$7.00/hour effective March 28, 1998, for those employees who have been working in the program for six months.

A new Adult Day program opened in Newport, and five Adult Day programs expanded with \$250,000 in Act 160 funding. Four programs currently open their doors to provide supervision, support and activities between the hours of at least 9-5 Monday through Friday; two more providers will begin to do so in this fiscal year. Five providers are expanding the scope of services to include both social and medical models of care.

Ten coalitions, covering the entire state of Vermont, collaborated with the Department of Aging and Disabilities to develop the capability to regionally plan and manage their local long term care systems. To date, eight coalitions representing consumers, providers and advocates, will receive more than \$344,000 in Act 160 funding to implement innovative strategies designed to reduce unnecessary nursing home and hospital emergency room utilization by Vermonters during FY98 and FY99. Two coalitions, which include their local public housing authorities, have worked closely with the Department of Aging and Disabilities to implement a pilot program, "Hope in Housing." These housing and services programs will provide additional home care services, supervision, care coordination and meals to approximately 150 residents of subsidized housing in Brattleboro and Rutland. To date, a total of \$80,000 in Act 160 funds has been allocated to these pilot programs.

The Department entered into grant agreements with 9 local agencies (either the Area Agency on Aging or the Home Health Agency) to manage the Medicaid Waiver Program at the local level. With \$160,000 in new funding, these local agencies manage access to the Waiver, and conduct outreach to identify and provide Waiver services to persons who otherwise would most likely need nursing home placement.

Additionally, Vermont's Legislature appropriated \$120,000 in general fund dollars to match a \$306,912 federal Americorps grant given to the Area Agencies on Aging (AAAs). The AAAs are developing a statewide network of volunteer services to assist elders to remain independent. The Champlain Valley Area Agency on Aging received an additional \$50,000 in Act 160 funds to develop a pilot respite program for individuals with Alzheimer's disease.

The Department, working with the Independence Board, awarded a total of \$76,841 in Independence Fund grants. These funds are matched at the local level, generating a total of \$122,946 for programs designed to improve the quality of life for older Vermonters and younger persons with disabilities who remain in their communities.

Several work groups, aided by the Center for Health Policy Studies, met last fall and early winter to analyze and recommend changes in the way providers are reimbursed for services. An Assisted Living work group has drafted regulations for a statewide Assisted Living program that will provide a broad range of services, including 24-hour supervision, in a residential setting. This program is founded on and promotes the principles of individual dignity, independence and choice. Department staff are also taking preliminary steps to design and implement a Group-Directed Attendant Care program.

The projected FY98 commitments, as of the middle of the fiscal year, entail spending \$1.4 million to support long term care reform in Vermont.

FY98 Projected Commitments:

<b>Attendant Services Program</b>	<b>\$ 160,000</b>
<b>Adult Day Care</b>	<b>\$ 249,305</b>
<b>Community Initiatives</b>	<b>\$ 344,366</b>
<b>HCBS Waiver Slots</b>	<b>\$ 194,962</b>
<b>Champlain Alzheimers' respite</b>	<b>\$ 50,000</b>
<b>Independence Fund</b>	<b>\$ 76,841</b>
<b>Flexible Funds to Help Consumers Remain Independent</b>	<b>\$ 50,275</b>
<b>Designated Administrative Agencies</b>	<b>\$ 58,339</b>
<b>Residential Alternatives</b>	<b>\$ 100,000</b>
<b>COVE</b>	<b>\$ 16,000</b>
<b>Meals on Wheels</b>	<b>\$ 4,912</b>
<b>Administration</b>	<b>\$ 130,000</b>
<b>TOTAL</b>	<b>\$1,435,000</b>

The FY98 Commitments are revised throughout the year as the Department responds to emerging needs, strategies and ideas. As Vermonters work together to reform their long term care system, our ability to listen and respond to one another and critically assess our progress will be fundamental in laying the groundwork for a socially responsible system of care.