



# **Choices for Care**

## **Quarterly Data Report**

### **July 2009**

**This report describes the status and progress of Choices for Care, Vermont's Medicaid long term care service system. This report is intended to provide useful information regarding enrollment, service, and expenditure trends.**

**The primary data sources are SAMS Choices for Care enrollment and service authorization data maintained by the Division of Disability and Aging Services, Medicaid claims data maintained by EDS, and resident days of service submitted by Vermont nursing homes to the Division of Rate Setting.**

**We welcome your comments, questions and suggestions.**

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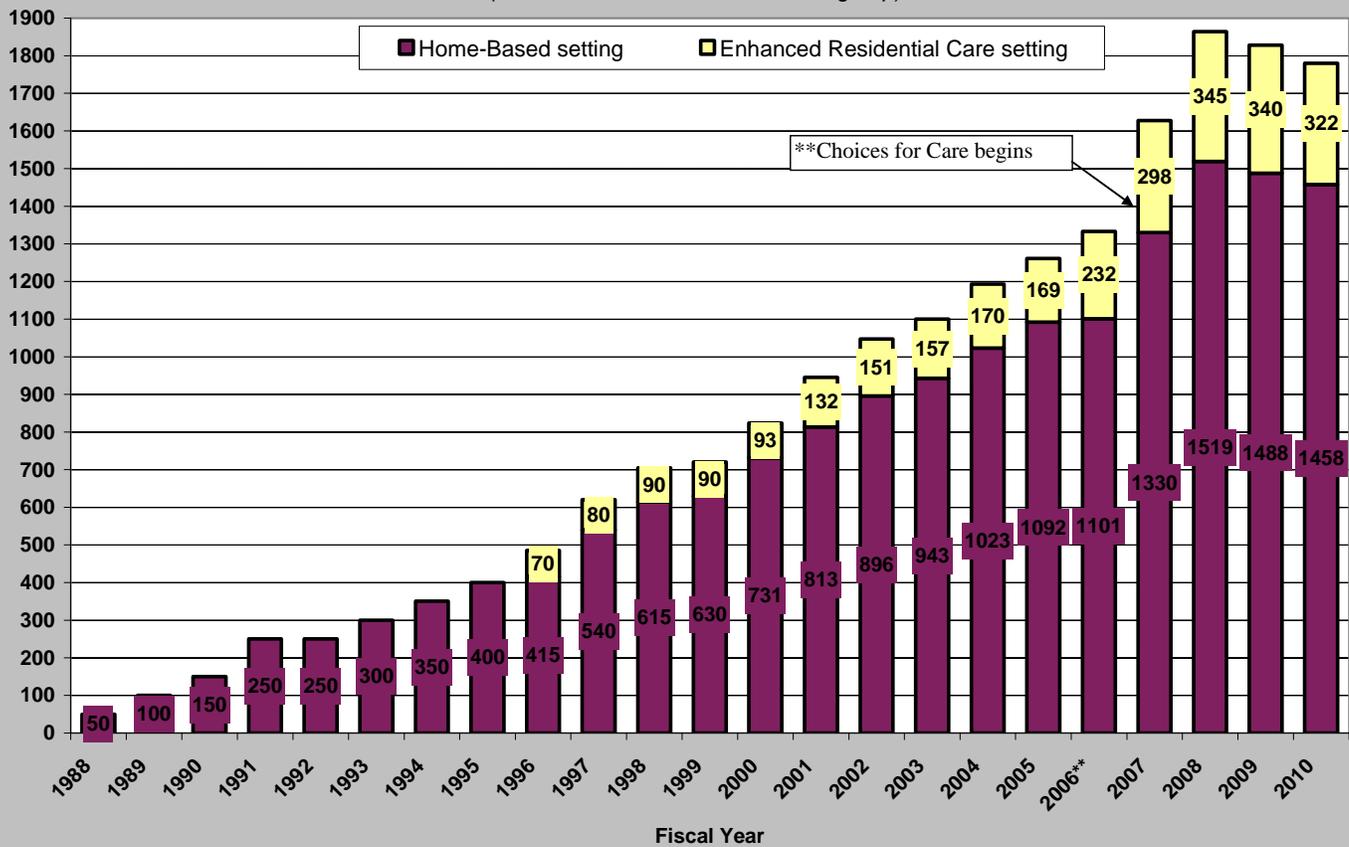
**Note:**

Vermont tracks a variety of process and reviews outcomes in a variety of areas in order to manage the Choices for Care Waiver. These include, but are not limited to:

1. Managing applications, enrollment, and service authorization;
2. Tracking current and retroactive eligibility;
3. Tracking real-time trends in applications, enrollment, service authorization, service settings, individual provider performance, service utilization, and service expenditures;
4. Analyzing expenditures using both 'cash' and 'accrual' methodologies;
5. Predicting future service utilization and costs using both 'cash' and 'accrual' methodologies

Because multiple data sources are used for these purposes, sources may not be integrated or use the same methodologies for entry and extracts. For example, clinical eligibility determinations are tracked in one data base while financial eligibility determinations are tracked in another. The clinical data base may indicate an approval while the financial data is still pending or determined ineligible or vice versa. Due to the different methodologies and purposes, please note that information reported on the CMS64 reports does not match information from other data sources or program reports.

**Numbers of People Served in Aged/Disabled Medicaid Waivers  
Maximum Point-in-Time by Year, sfy1988-sfy2010**  
*(does not include moderate needs group)*



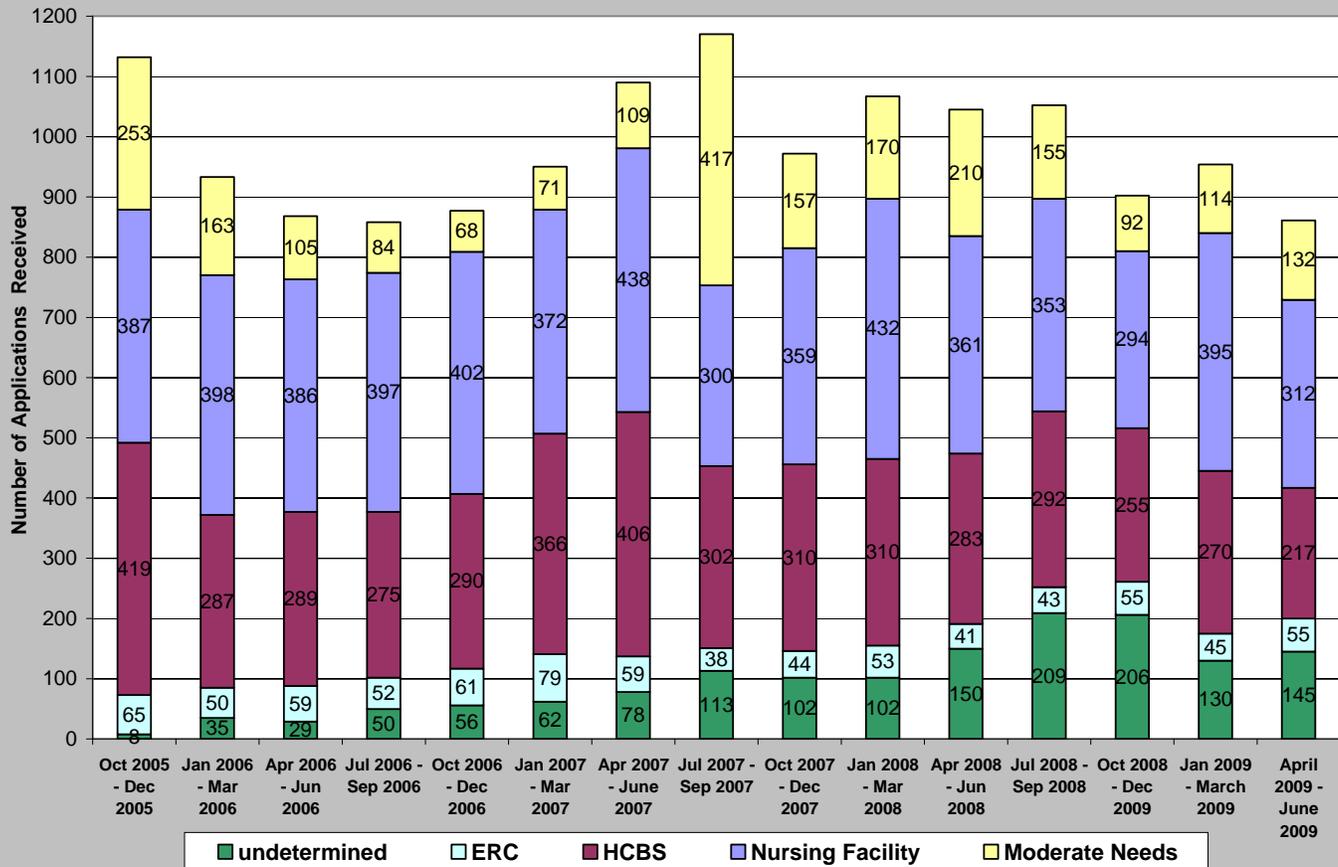
Data source: DAIL/DDAS databases

This graph illustrates the growth in home and community based services in Vermont since SFY1988.

Prior to the implementation of Choices for Care in October 2005, the number of people served increased fairly steadily, but this growth was limited by the funding available within each fiscal year. During these years eligible Vermonters were entitled to receive nursing home care under Medicaid, but were not entitled to receive home and community-based long term care services as an alternative. Some people were placed on waiting lists until funding for home and community based services became available.

In SFY2007, the number of people enrolled in alternative settings increased by nearly 300, followed by an increase of nearly 240 in SFY2008. These increases were significantly higher than in previous years, with annual increases approaching 20%. In SFY2009 the number of people decreased for the first time, a result of the need to control expenditures and the applicant waiting list for the High Needs Group.

**Choices for Care: Applications Received by Service Program  
October 2005 through June 2009\***

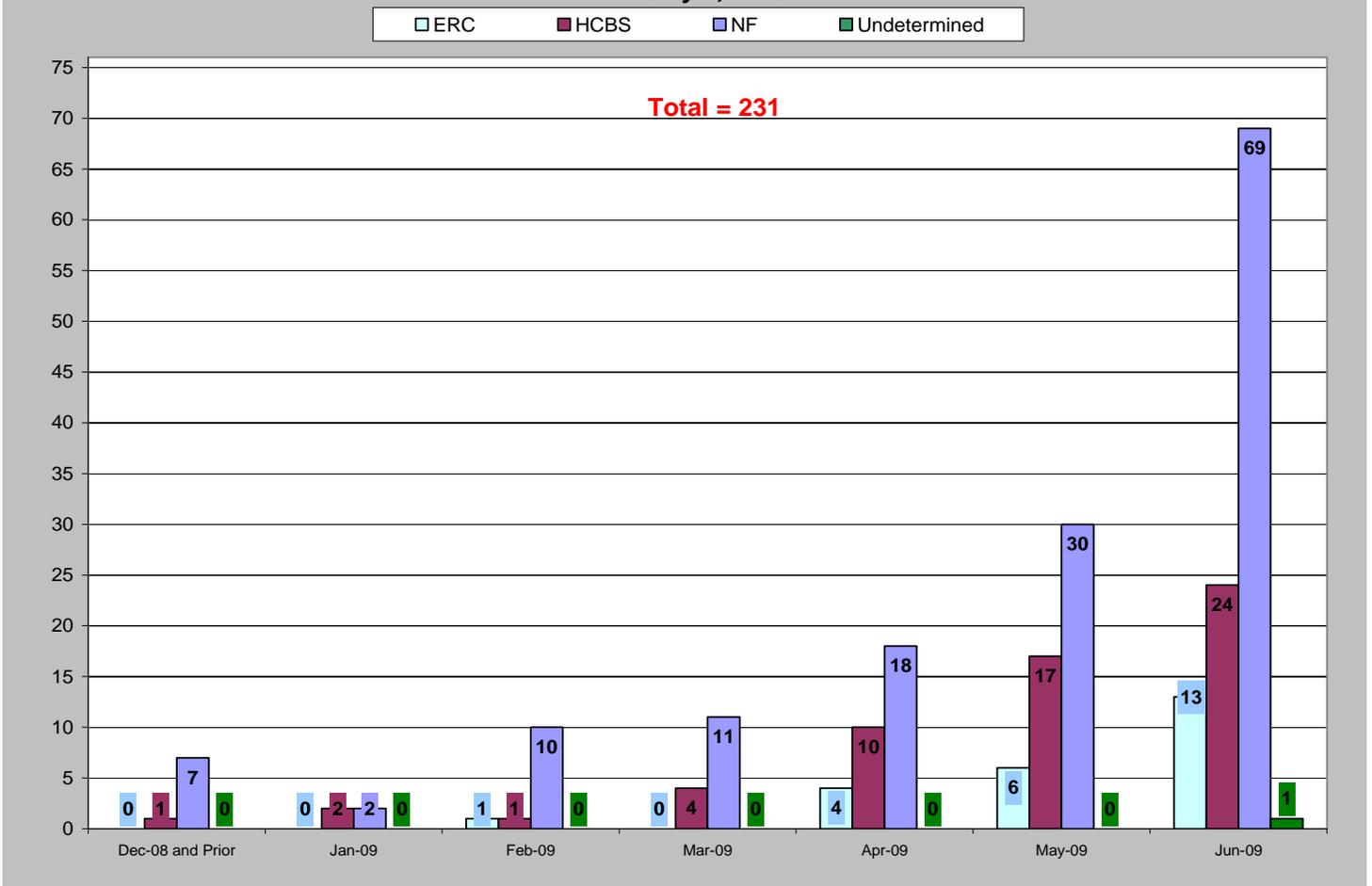


Data source: DAIL/DDAS SAMS database.

The number of applications has remained fairly stable over time. The average number of applications received each month, by fiscal year:

Setting	SFY2006	SFY2007	SFY2008	SFY2009
undetermined	8	21	39	58
ERC	19	21	15	17
HCBS	111	111	100	86
Nursing Facility	130	134	121	113
Moderate Needs Group	58	28	80	41
<b>TOTAL</b>	<b>326</b>	<b>315</b>	<b>355</b>	<b>314</b>

**Choices for Care: Applications 'Pending Medicaid' by Status Date  
October 2005 through March 2009  
as of July 2, 2009**



Data source: DAIL/DDAS SAMS database.

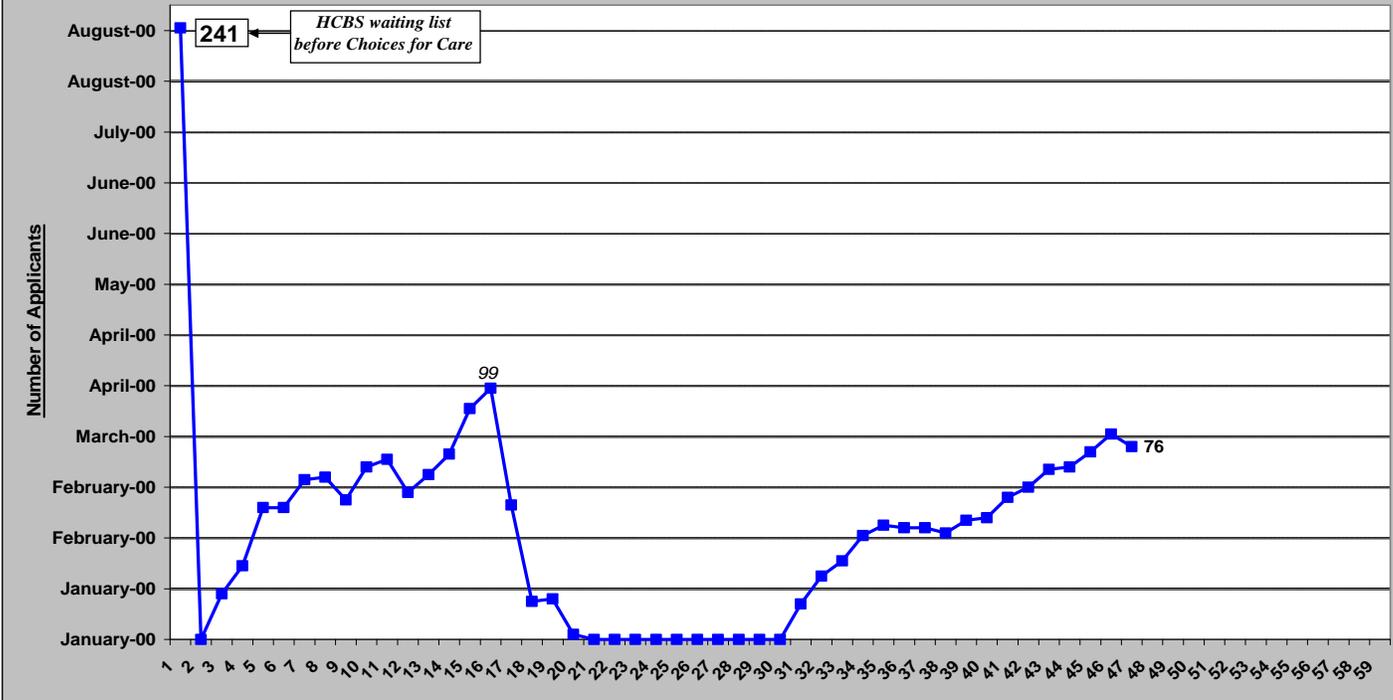
One of the goals of Choices for Care is to help Vermonters access long term care services when they need them. An indicator of success is the time required to process individual applications.

This graph illustrates the length of time required from the date of the clinical eligibility decision to the LTC Medicaid financial eligibility decision. Over time, this number of applications 'pending Medicaid' had grown to more than 400. In recent months, the number has steadily decreased to nearly 200.

Nearly half (46%) of the pending applications had been received in the previous month. Nearly two thirds (69%) of the pending applications had been received in the previous two months.

Based on an average of 314 applications per month, it appears that Medicaid eligibility decisions are made within one month for about 65% of applications, and within two months for about 85% of applications.

Choices for Care High Needs Applicant List, by Month  
September 2005 - July 2009



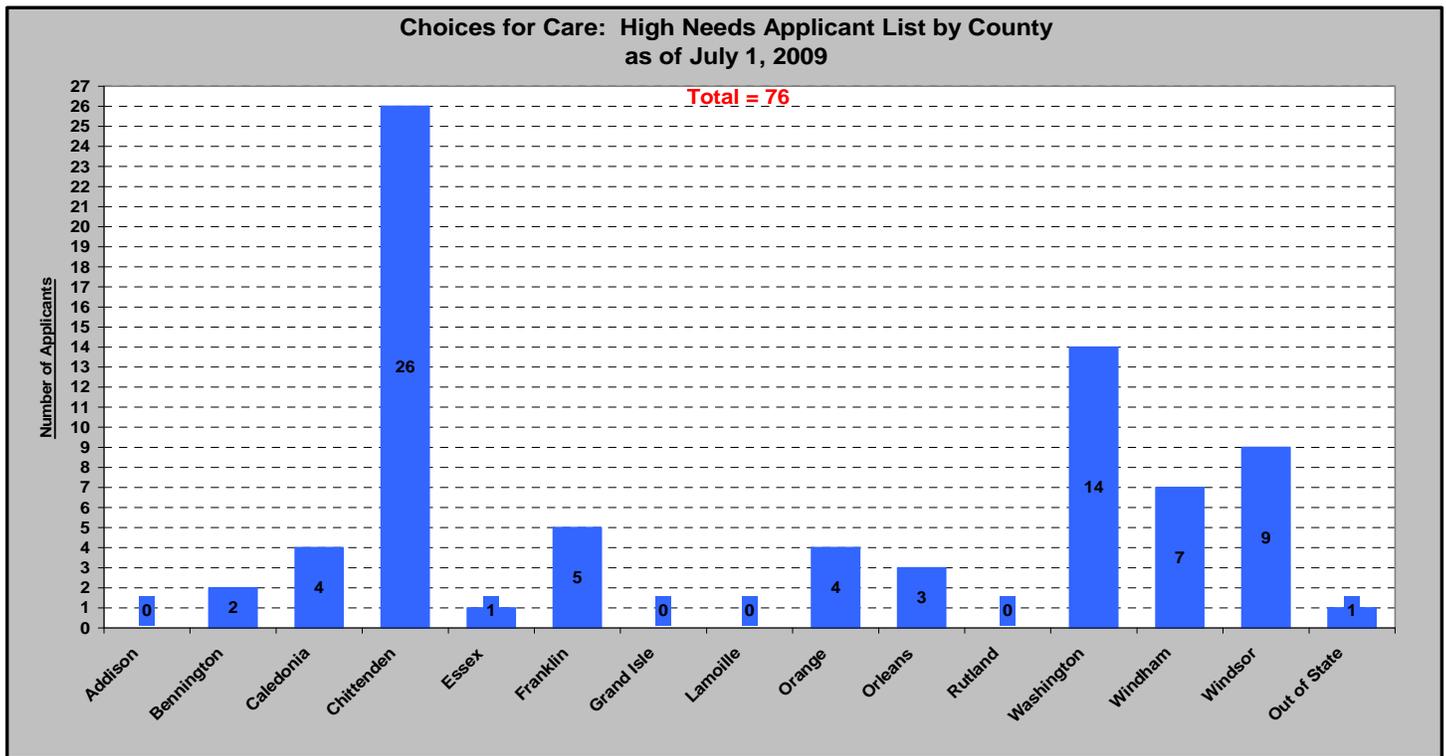
Data source: DAIL/DDAS SAMS database.

Another indicator of access to services is the number of people on waiting lists. Prior to Choices for Care, many applicants for HBS and ERC were routinely placed on waiting lists. The total number of people on waiting lists fell when Choices for Care was implemented in October 2005, when all applicants who meet Highest Needs Group eligibility criteria became entitled to the service of their choice.

The High Needs Group was created as a financial ‘safety valve’ in the Choices for Care expanded entitlement to HBS and ERC, allowing DAIL to create a waiting list when expenditure projections exceed the budget. Note that the Choices for Care waiting list is unique in that it affects people applying for all settings, including nursing homes. In other states, waiting lists are imposed for HCBS but not for nursing home services.

In October 2005, all applicants who met the High Needs Group eligibility criteria were placed on a waiting list. The number of people on this waiting list slowly increased over time. Based on the availability of funds, small numbers of people from the waiting list were enrolled in Choices for Care during July 2006 and December 2006. In January 2007, in the context of positive expenditure trends the legislature directed DAIL to enroll all High Needs Group applicants, and the waiting list fell to zero.

Due to financial pressures, the High Needs Group waiting list was recreated in February 2008. The current economic climate has reduced state revenues substantially, suggesting that this waiting list will continue for the foreseeable future. As a result, the waiting list has been renamed the ‘applicant’ list.



Data source: DAIL/DDAS SAMS database

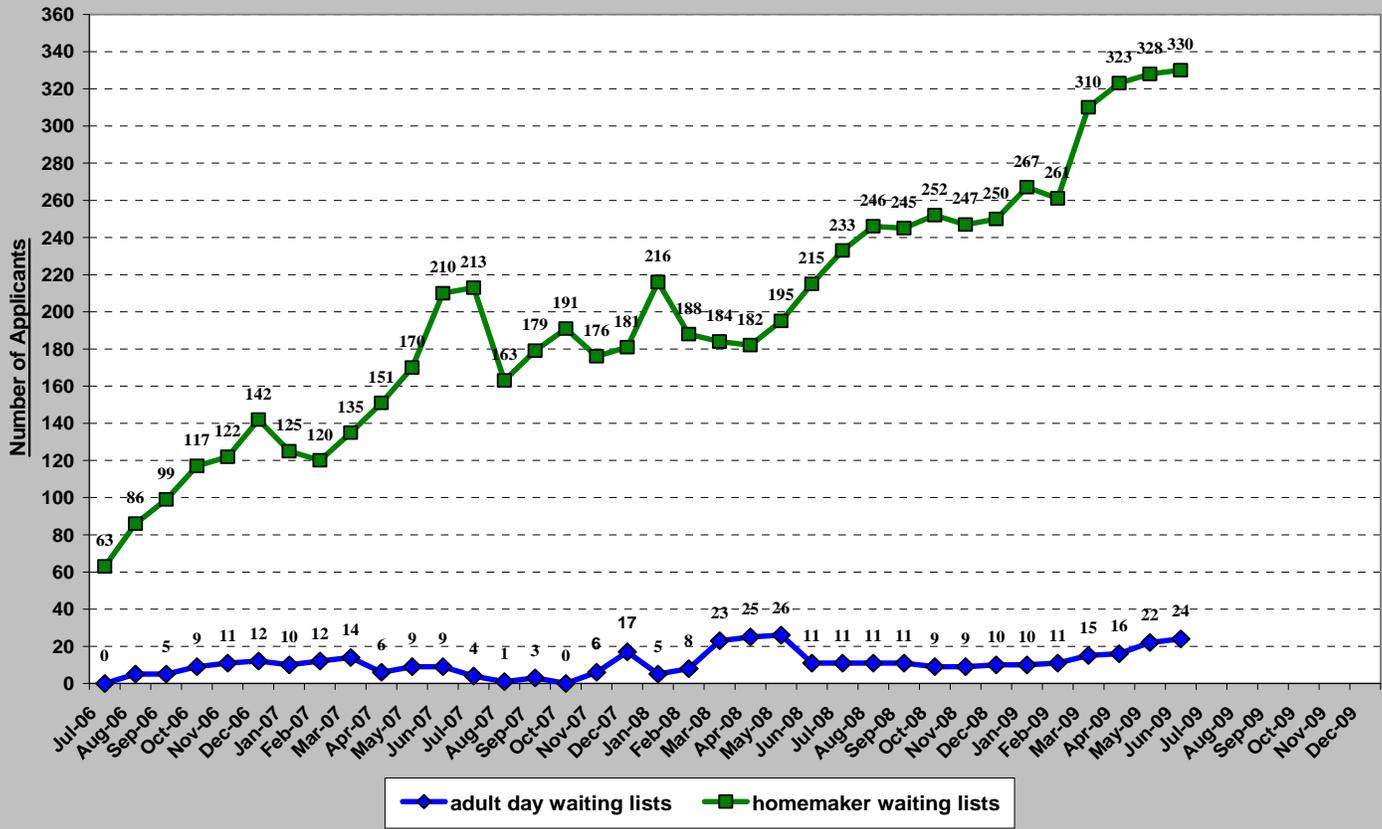
This graph shows the distribution of the High Needs Group applicant list by county. The numbers of people in Chittenden, Washington, Windham and Windsor counties are disproportionately large. The number of people in Addison, Lamoille, and Rutland are disproportionately small. This may reflect regional differences in the intended use of Choices for Care and/or differences in access to other services as alternatives to Choices for Care.

Because people's needs change, it is important that case managers monitor the status and circumstances of people who are on the waiting lists. Case managers also help to identify those people who should be served under special circumstances, or people whose needs have changed such that they meet the eligibility criteria for the Highest Needs Group.

During the period July 2007- January 2008, nearly 500 people were enrolled into the CFC High Needs Group. This represents about 70 people each month, or a total of about 840 people annually. Since the applicant list was created in February 2008, it has grown very slowly. Few people have been enrolled under special circumstances each month. What happened to the hundreds of people in the High Needs Group who would have been expected to apply and remain waiting for services?

1. Some people do not apply for Choices for Care services.
2. Some people rely on unpaid caregivers: family, friends, and neighbors. Across the United States, this is the most common solution. AARP estimates that unpaid family caregivers provide about 80 percent of the assistance provided to people who need help with daily activities.  
(<http://www.aarp.org/research/housing-mobility/caregiving/aresearch-import-779-FS91.html>)
3. Some people use alternative services: home health services, area agency on aging services, residential care homes, adult day services, etc.
4. Some people's needs change, such that they become eligible for the Highest Needs Group.
5. A modest number of people are served through the Moderate Needs Group.
6. Some people simply 'make do', getting by with little or no assistance.

### Choices for Care: Moderate Needs Group Waiting Lists by Type of Service SFY2006 - SFY 2010



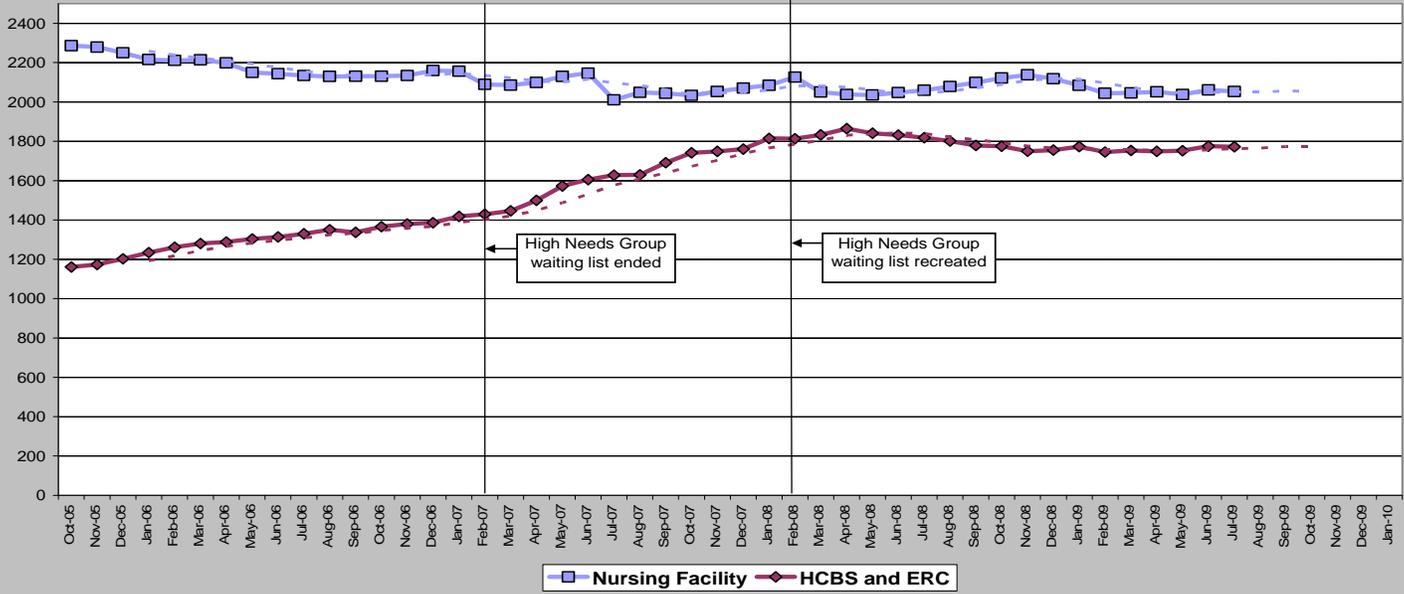
Data source: waiting list reports from home health agencies and adult day programs.

This graph shows the numbers of people placed on waiting lists for Moderate Needs Group Homemaker and Adult Day Services. The data begins in July 2006, when providers began submitting monthly waiting list information to the DAIL Division of Disability and Aging Services (DDAS).

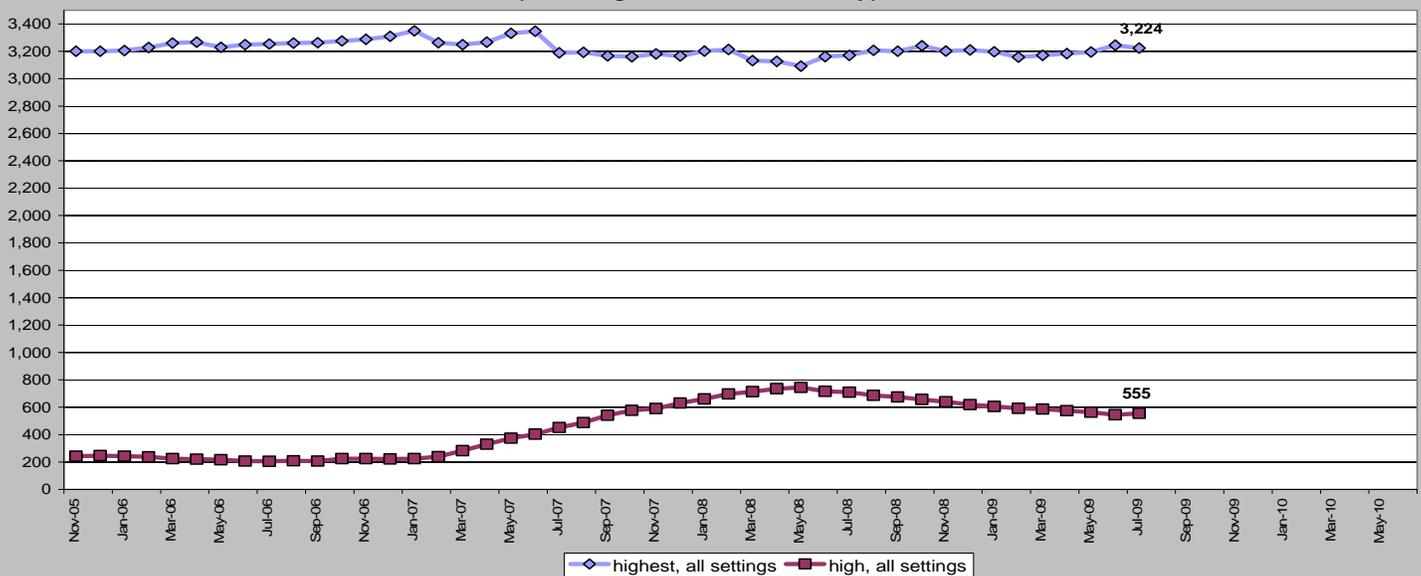
The number of people waiting for Homemaker services increased steadily until July 2008, when additional funding was made available for Homemaker services. Of the thirteen Homemaker providers, nine reported waiting lists in June 2009. The number of people on the Homemaker waiting lists ranged from 5 to 171, with a median waiting list of 13 people. Some providers have reported that the costs of providing services are higher than the reimbursement rate, and that they limit the number of hours of service that they provide. Some providers have also reported challenges in recruiting and retaining adequate numbers of staff.

The number of people waiting for Adult Day services has varied over time, but has never exceeded 26 people. Of the fourteen Adult Day providers, four reported waiting lists in June 2009, ranging from 4 people to 9 people.

**Choices for Care: Total Number of Enrolled Participants**  
**October 1, 2005 - July 1, 2009**  
*(excluding Moderate Needs Group)*



**Choices for Care: Total Number of Enrolled Participants**  
**October 1, 2005 - July 1, 2009**  
*(excluding Moderate Needs Group)*

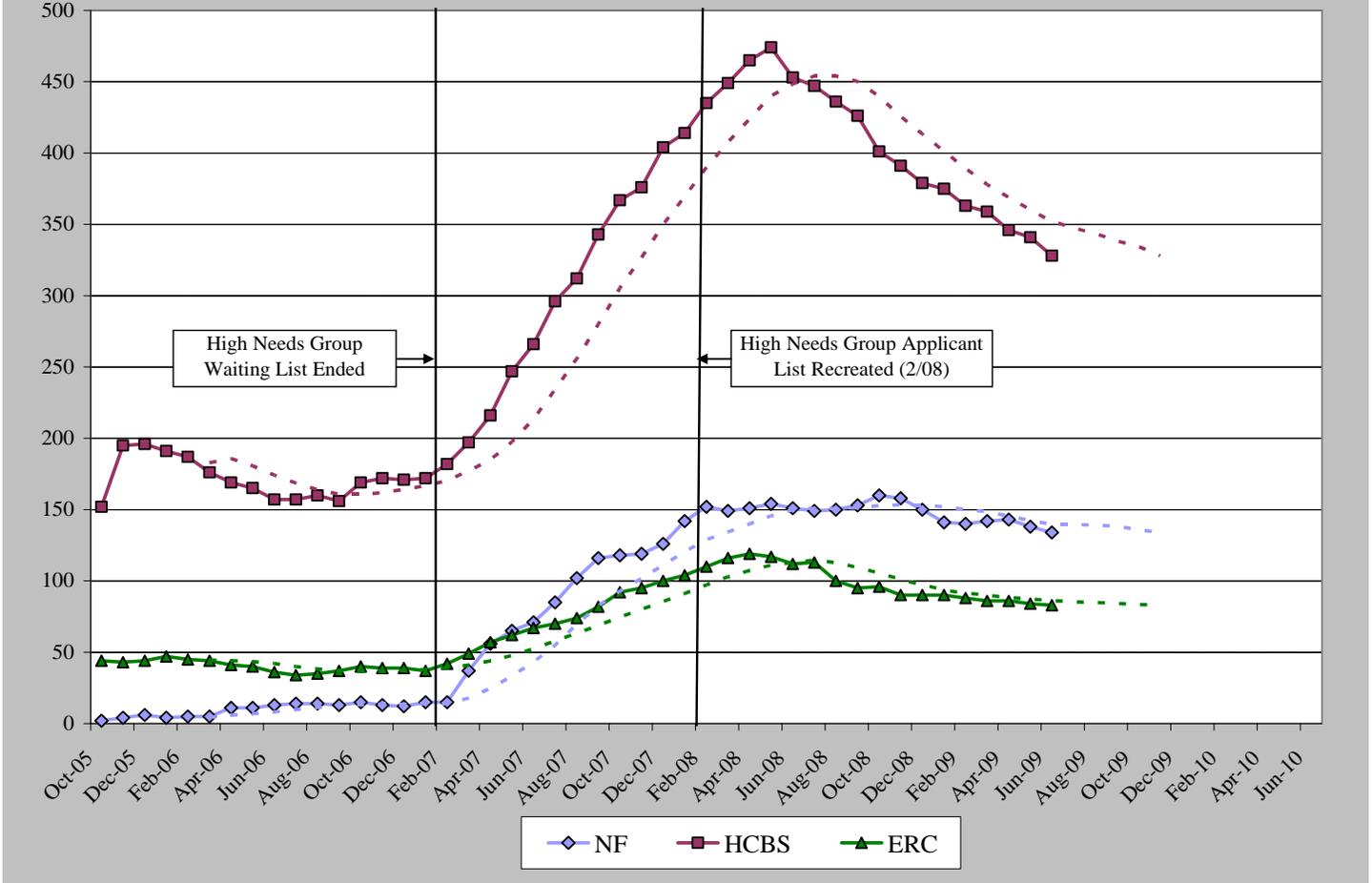


Data source: DAIL/DDAS SAMS database.

These graphs show trends in enrollment of people in the Highest Needs Group and the High Needs Group. These groups meet the ‘traditional’ nursing home clinical and functional eligibility criteria. The two graphs show:

- Nursing homes: a gradual but inconsistent decrease in the number of people enrolled.
- Alternative settings: a slow increase in the number of people enrolled through April 2008, followed by relatively stable enrollment. This was caused by the High Needs Group applicant list, as people in this group tend to choose settings other than nursing homes.

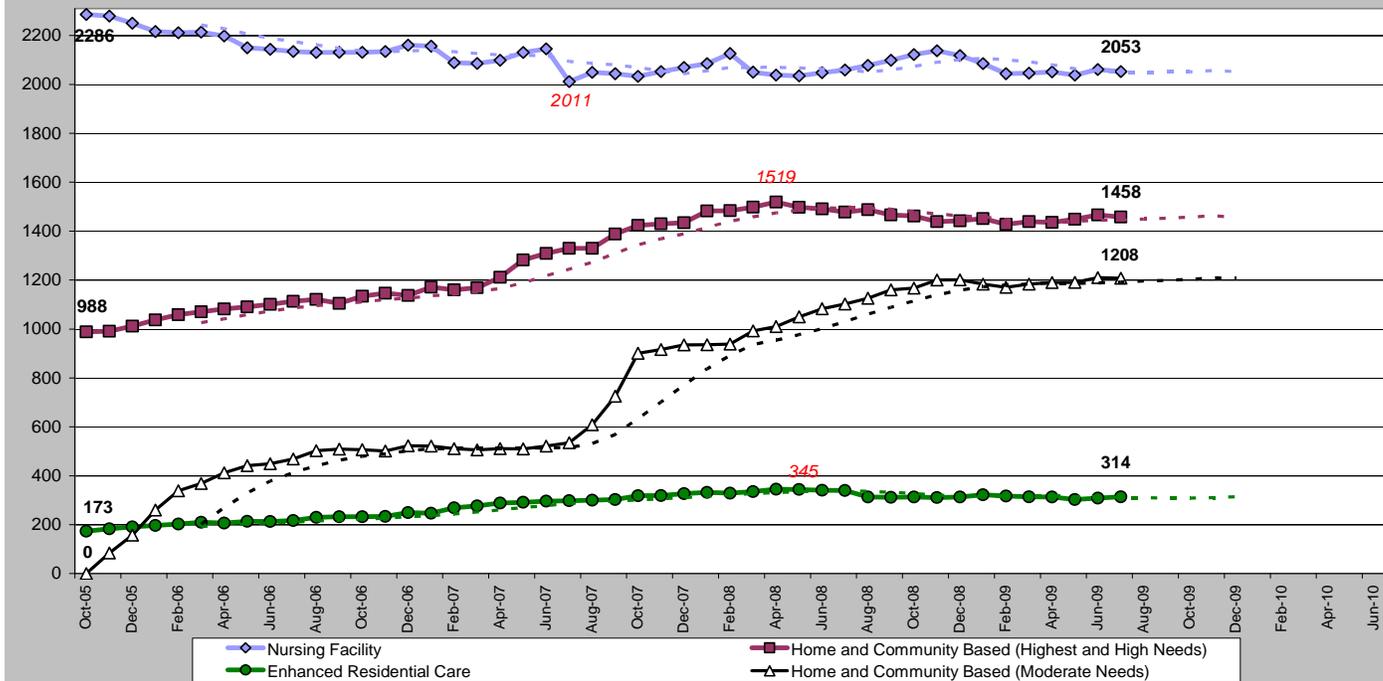
### Choices for Care: High Needs Group Enrollment, sfy2006-sfy2010



Data source: DAIL/DDAS SAMS database.

This shows enrollment of High Needs Group participants by setting. When the original High Needs Group waiting list was ended in February 2007, enrollment increased rapidly in all settings, with the most rapid increase in the HCBS setting. Since the High Needs Group applicant list was recreated in February 2008, enrollment in all settings has decreased, with the most rapid decrease in the HCBS setting.

**Choices for Care: Total Number of Enrolled Participants by Setting  
October 2005 - July 2009**



Data source: DAIL/DDAS SAMS database.

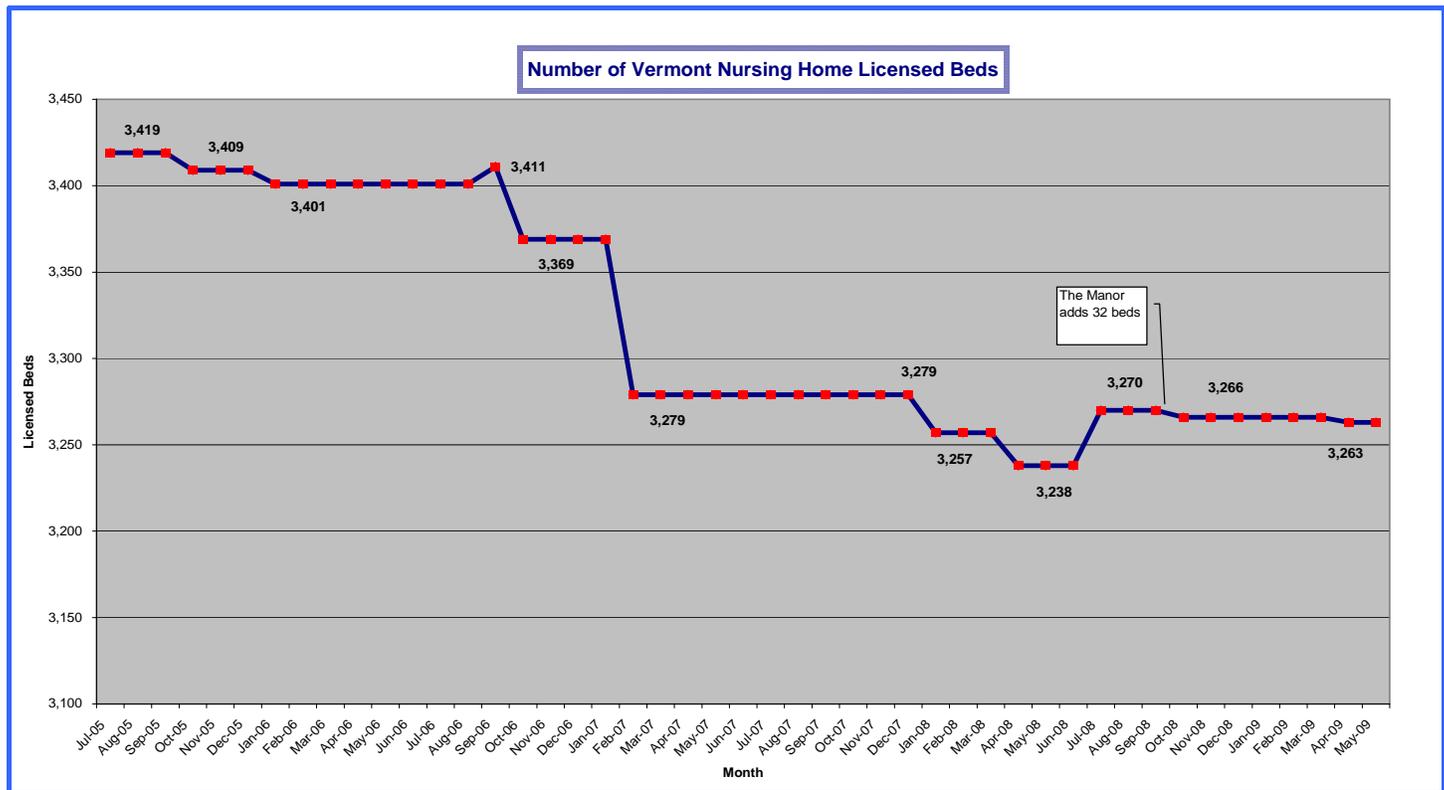
This graph shows Choices for Care enrollment by setting.

**Nursing homes:** between October 2005 and July 2009, the number of people enrolled in the nursing home setting decreased by 233. This was associated with a decrease of 156 beds in Vermont’s licensed nursing home capacity.

**Home Based Services (Highest/High Needs Groups):** between October 2005 and July 2009, the number of people enrolled in HBS increased by 470. In the past 15 months, the number of people has decreased by about 60 people due to the High Needs Group applicant list.

**Enhanced Residential Care (ERC):** between October 2005 and July 2009, the number of people enrolled in ERC increased by 141. In the past 15 months, the number of people has decreased by about 30 people due to the High Needs Group applicant list.

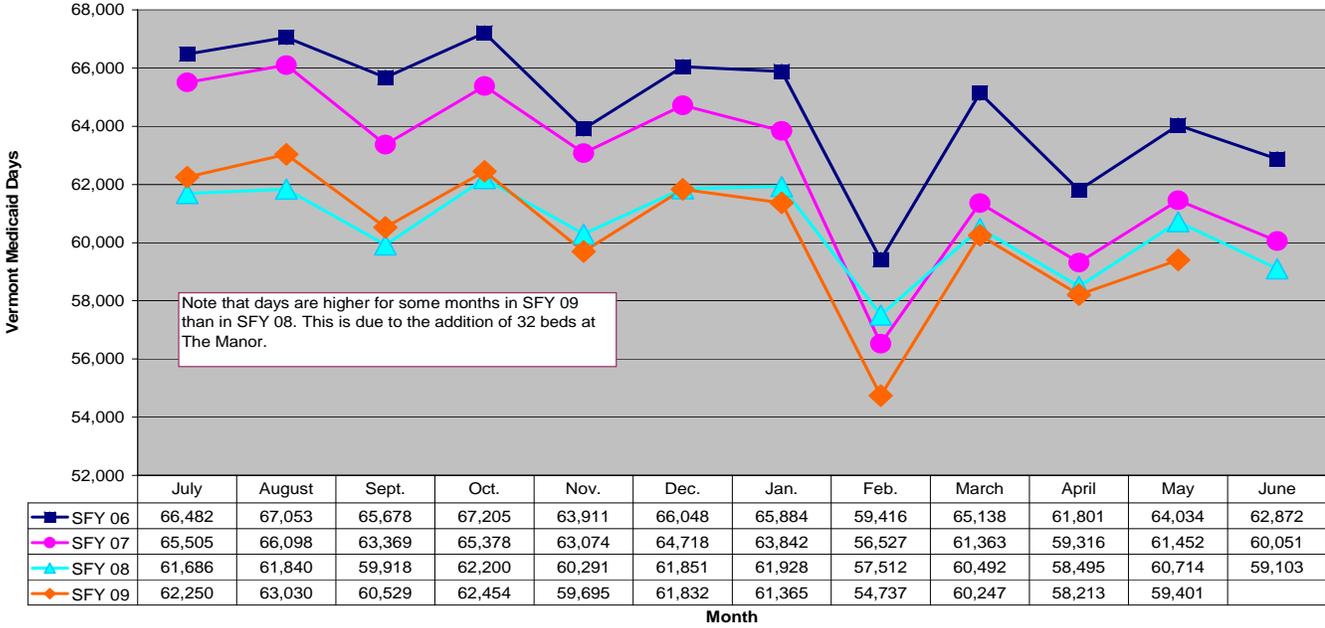
**HBS Moderate Needs Group (MNG):** this “expansion” group was created in October 2005, and by July 2009 had grown to include more than 1200 people.



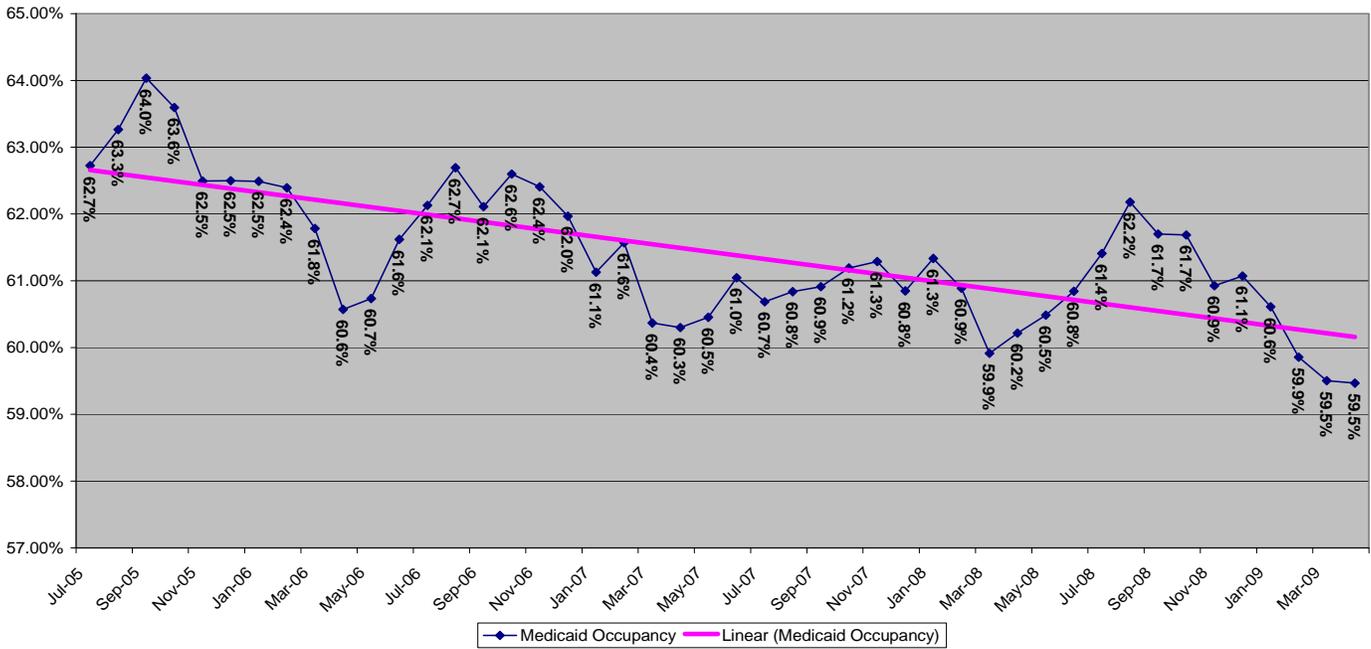
Data source: DRS, monthly provider reports

This shows the decrease in licensed nursing home bed capacity in Vermont since July 2005: 156 beds.

**Vermont Medicaid Days from SFY 06 to SFY 09**



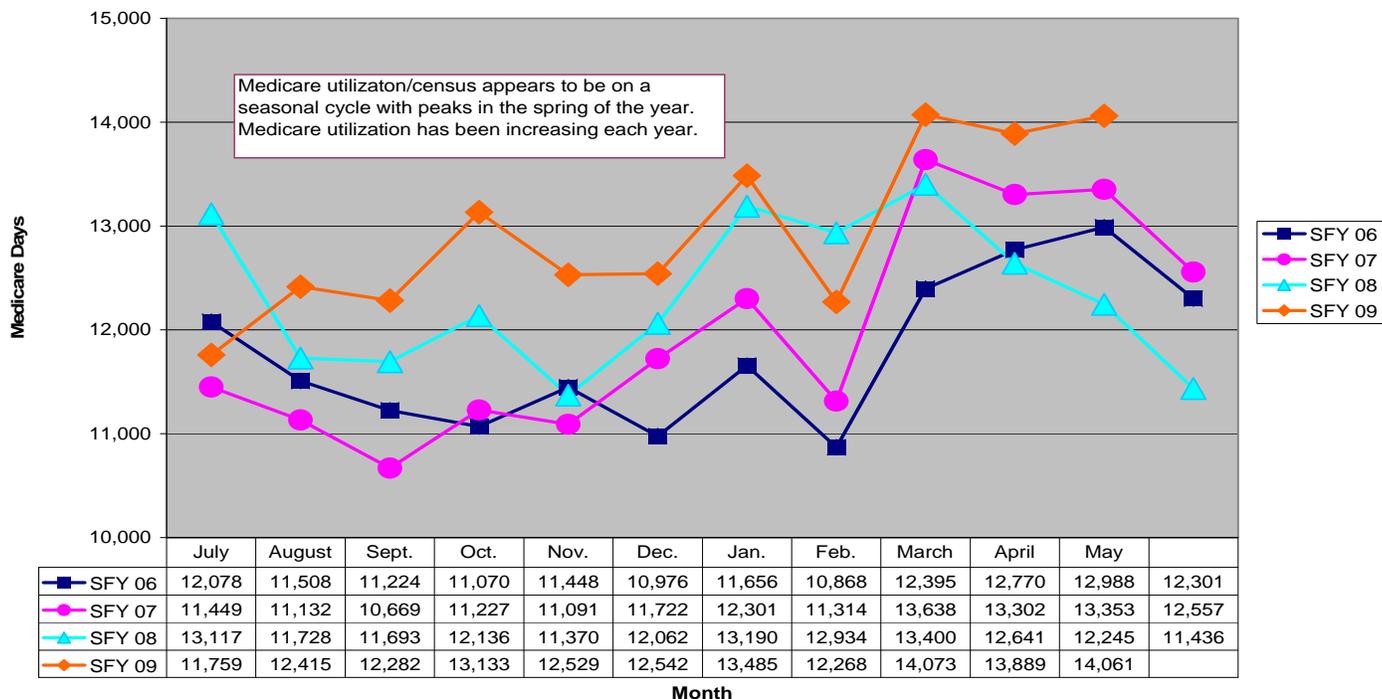
**Medicaid Occupancy as a Percentage of Available Bed Days**  
Available Beds Have Declined by 156 Beds During This Period



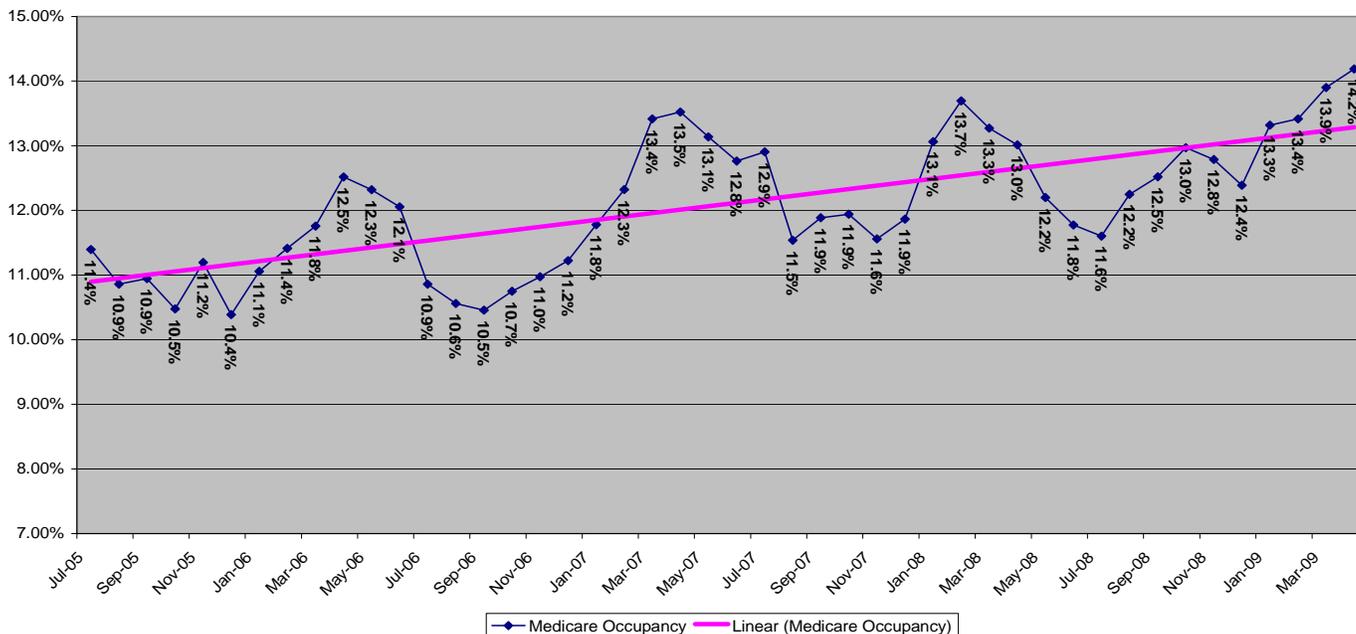
Data source: DRS, monthly provider reports

These graphs show a gradual decrease in the use of nursing home beds by Medicaid residents during Choices for Care.

### Medicare Days from SFY 06 to SFY 09



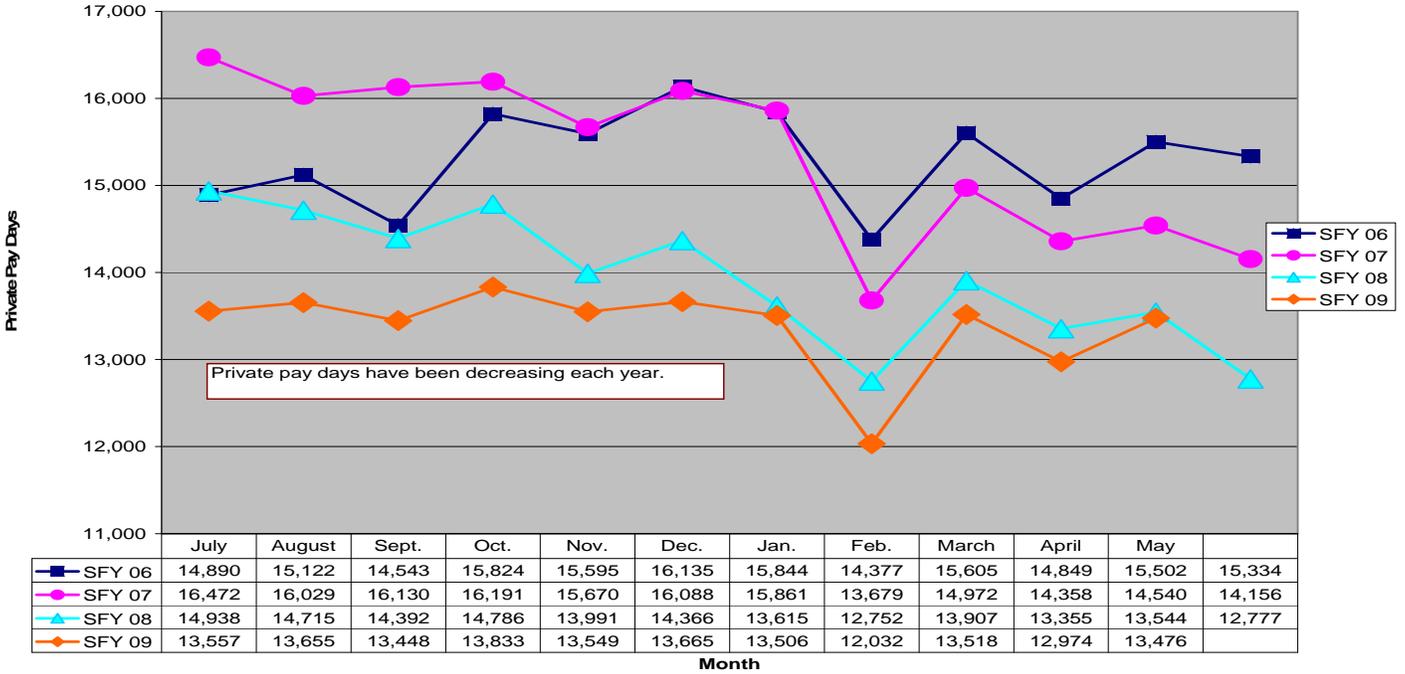
### Medicare Occupancy as a Percentage of Available Bed Days Available Beds Have Declined by 156 Beds During This Period



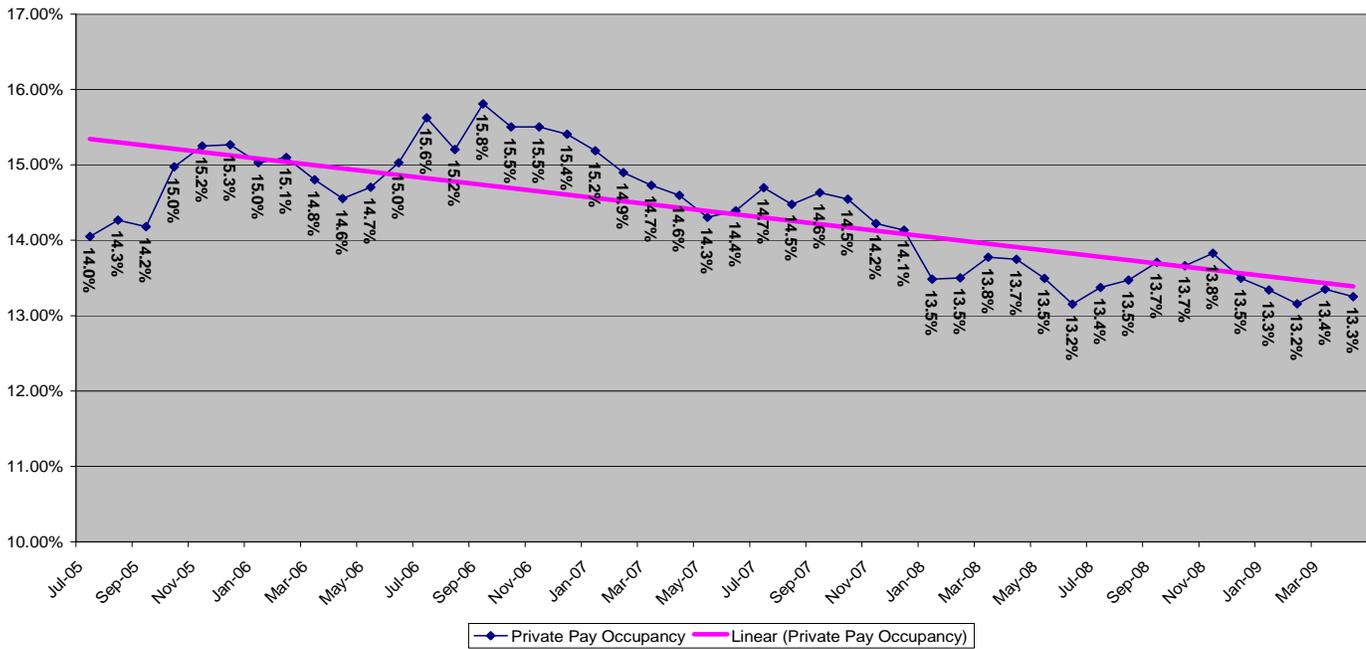
Data source: DRS, monthly provider reports

These graphs show a gradual increase in the use of nursing home beds by Medicare residents during Choices for Care.

**Private Pay Days from SFY 06 to SFY 09**



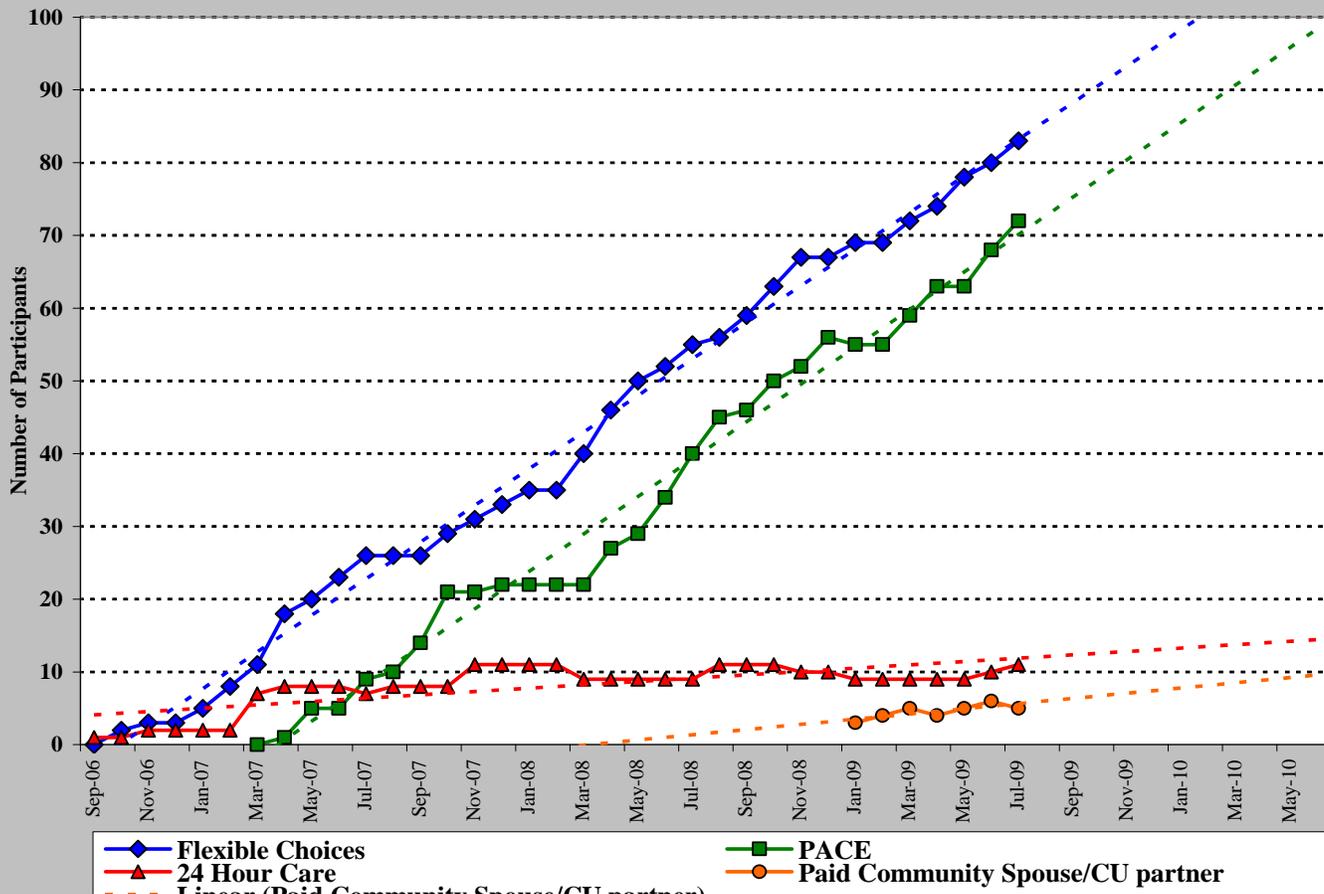
**Private Payer Occupancy as a Percentage of Available Bed Days**  
**Available Beds Have Declined by 156 Beds During This Period**



Data source: DRS, monthly provider reports

These graphs show a gradual decrease in the use of nursing home beds by private pay residents during Choices for Care.

## Choices for Care: Expansion of New Service Options, sfy2007-sfy2009 Flexible Choices, PACE, and HCBS 24-Hour Care Active Enrollments

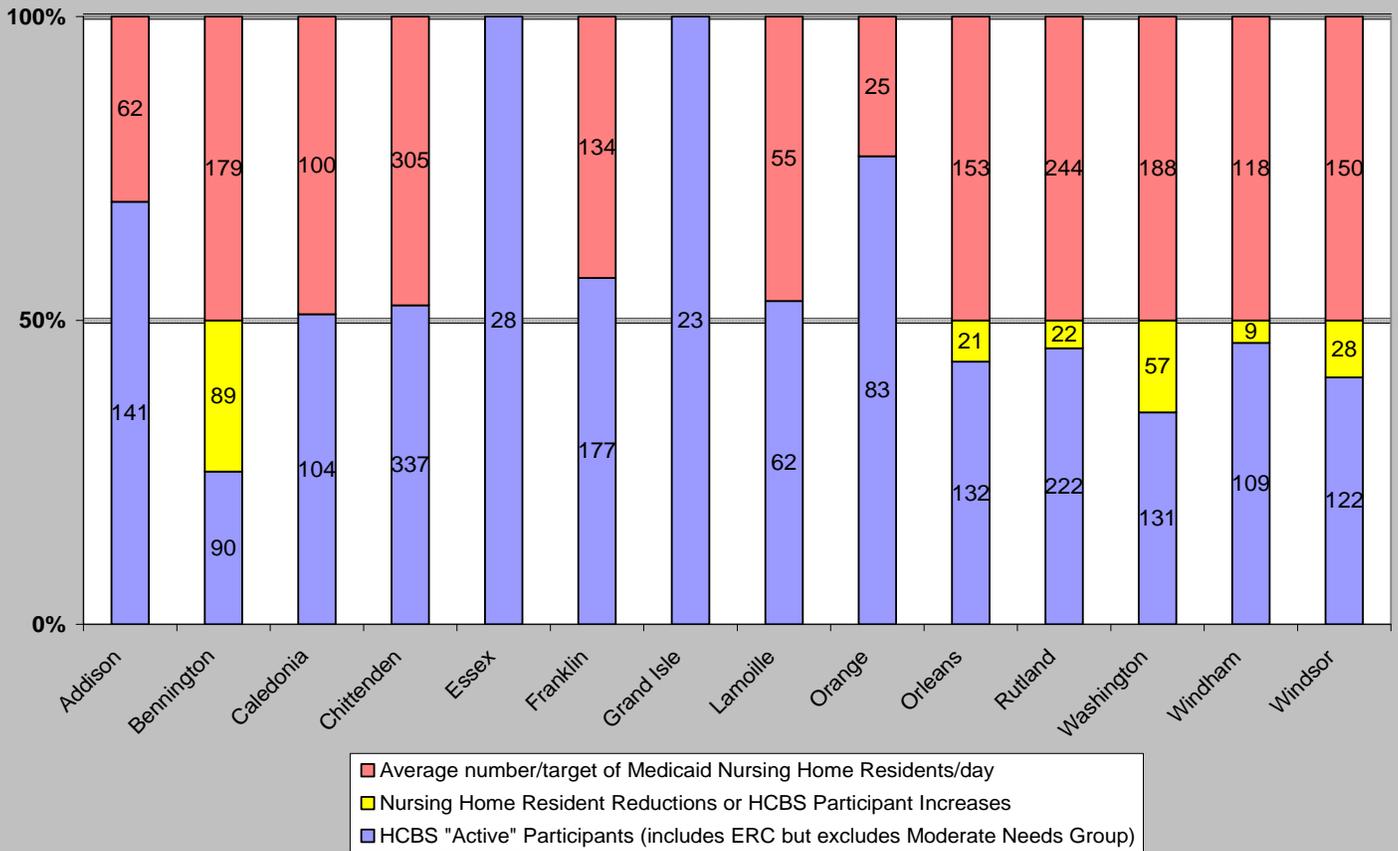


Data source: DAIL/DDAS SAMS database

One goal of Choices for Care is to expand the range of service options. This shows the history of enrollment in three new service options: Flexible Choices, PACE, and HBS 24-Hour Care. Each represents a different service model, drawing people with different needs and expectations. While the development of each new option is a success, the numbers of people using these options remains a small percentage of the total number of people served.

A fourth option has also been developed under Choices for Care. Medicaid laws and regulations prohibit caregiving payments to spouses (except under extraordinary circumstances). However, this prohibition can be ‘waived’ through an 1115 Waiver, and in May 2007 Choices for Care implemented a policy that allows spouses to be paid to provide personal care. Several factors (including eligibility restrictions on household income and the availability of a spouse who is able to provide care) are expected to limit the number of people who choose this service option. While complete data on the number of spouses who are paid to provide care does not exist, Choices for Care staff have implemented a method to do this, and data will be available in the future.

Vermont Choices for Care: Nursing Home Residents and Home & Community-Based Participants by County -- April 2009  
*Changes (Yellow) Needed to Achieve At Least 50% HCBS*



Data sources: DAIL/DDAS SAMS database; Division of Rate Setting.

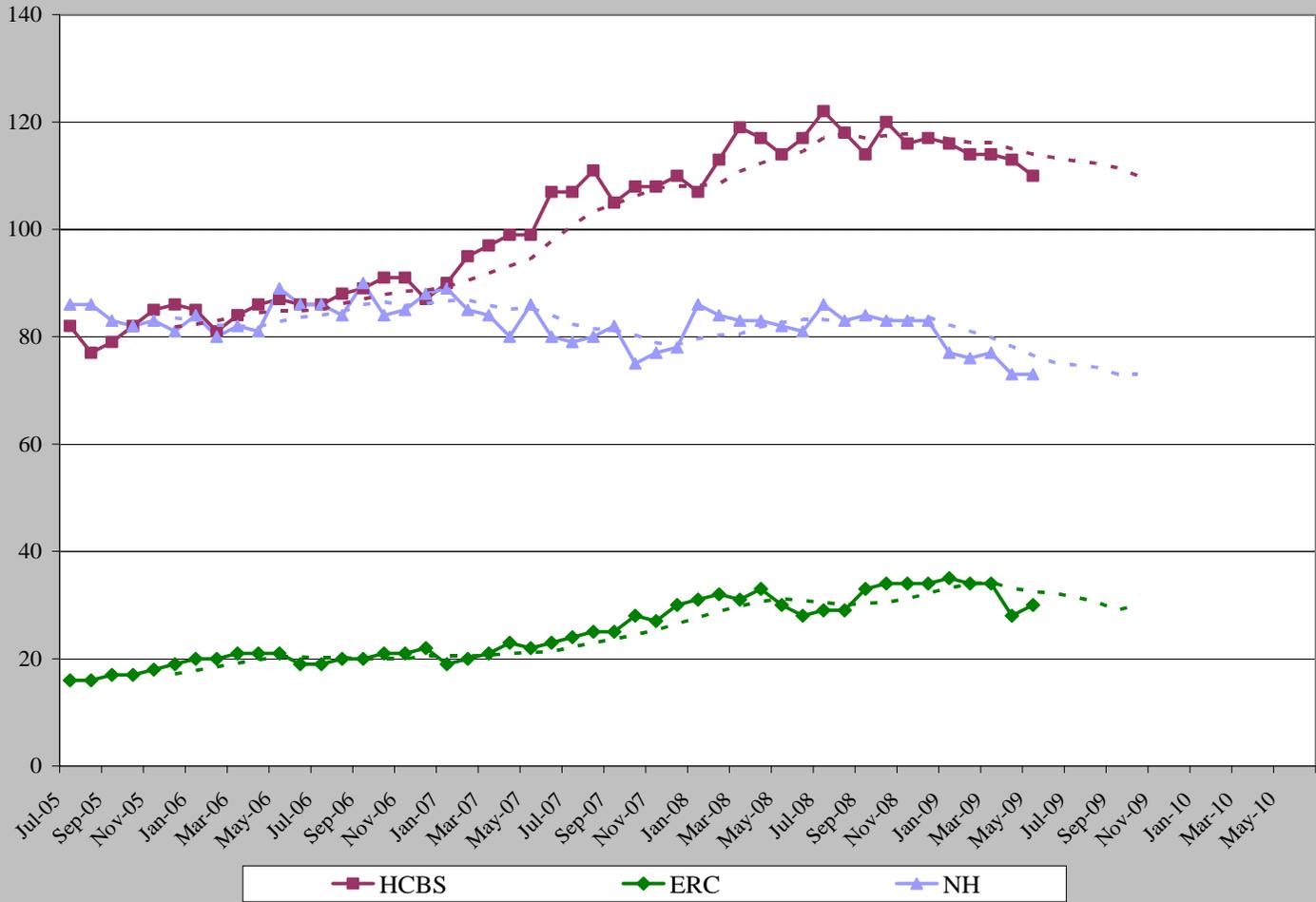
One of the expected outcomes of Choices for Care is that a higher percentage of people who use Medicaid-funded long term care will choose home and community-based settings, while a lower percentage will choose nursing homes. This graph illustrates the relative use of nursing homes and other settings in each county as of April 2009.

The graph shows the number of Choices for Care participants who were served in nursing home settings (blue), the number served in alternative settings (red), and the number of participants who would have to move from a nursing home setting to an alternative setting to reach the benchmark of 50% in alternative settings (yellow). This is based on a performance “benchmark” of serving at least 50% of the people who use Medicaid long term care in a home and community-based setting.

In eight counties (Addison, Caledonia, Chittenden, Essex, Franklin, Grand Isle, Lamoille, and Orange), more than 50% of Choices for Care participants are served in alternative settings. People in the remaining counties (Bennington, Orleans, Rutland, Washington, Windham, and Windsor) are more reliant on nursing homes, with less than 50% served in alternative settings. People in Bennington and Washington Counties are the most reliant on nursing homes.

### Addison County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

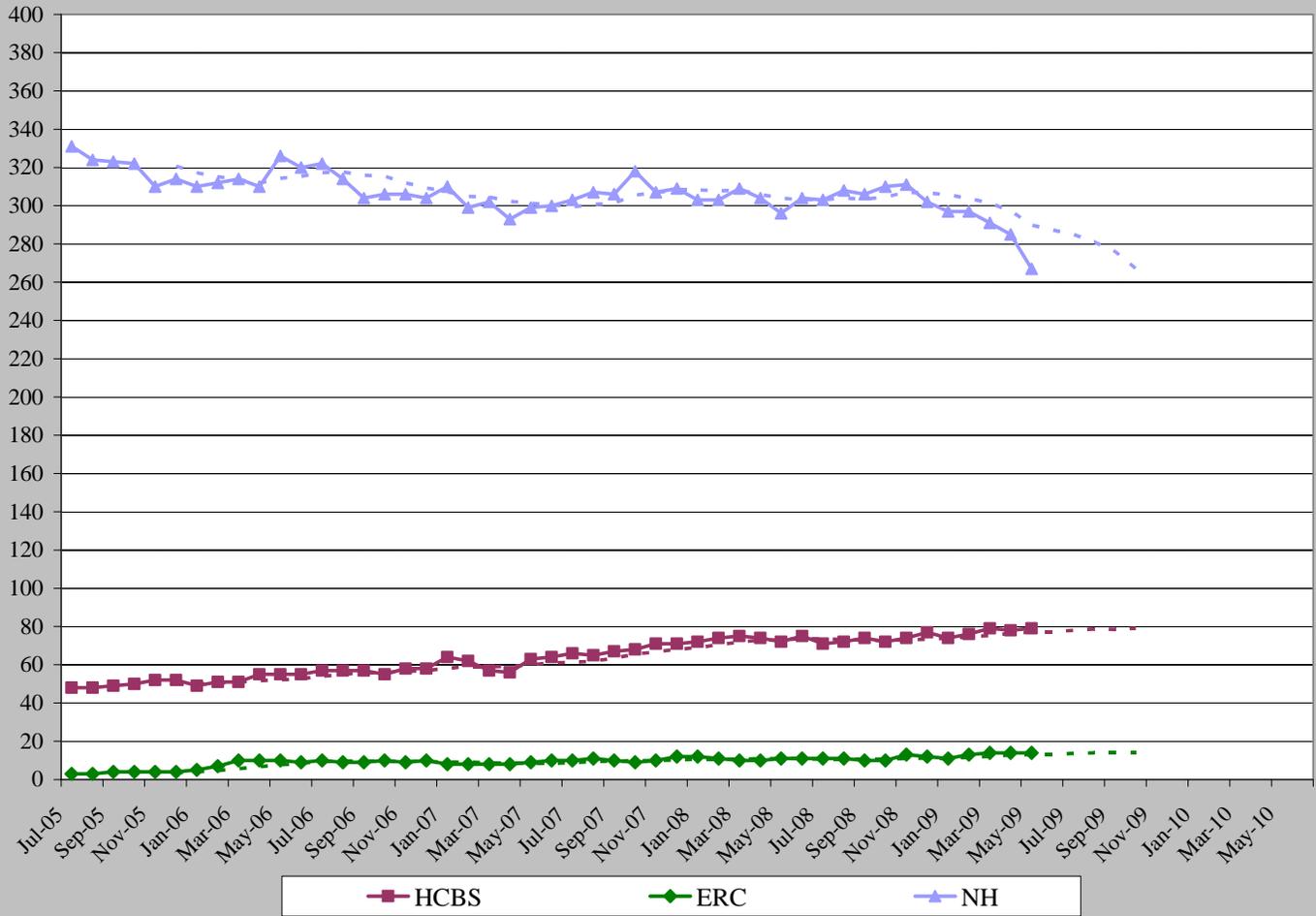


*Data source: EDS paid claims*

In Addison County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has very slowly decreased.

### Bennington County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

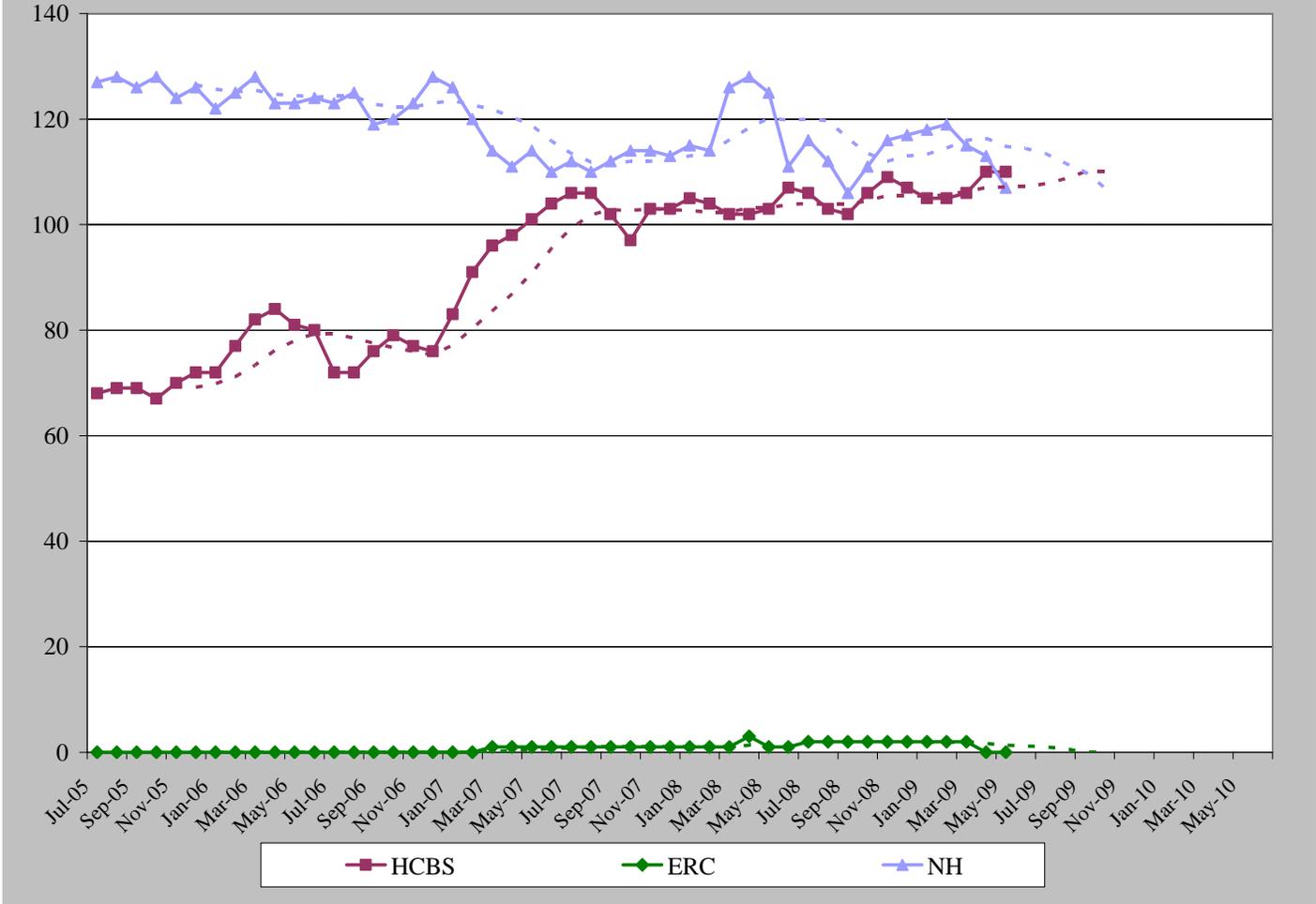


*Data source: EDS paid claims*

In Bennington County, use of both HCBS and ERC has very slowly increased since July 2005. The use of nursing homes has slowly decreased.

**Caledonia County: Choices for Care Participants by Setting, sfy2005 - sfy2009**

*data source: EDS paid claims by dates of service; excludes moderate needs group*

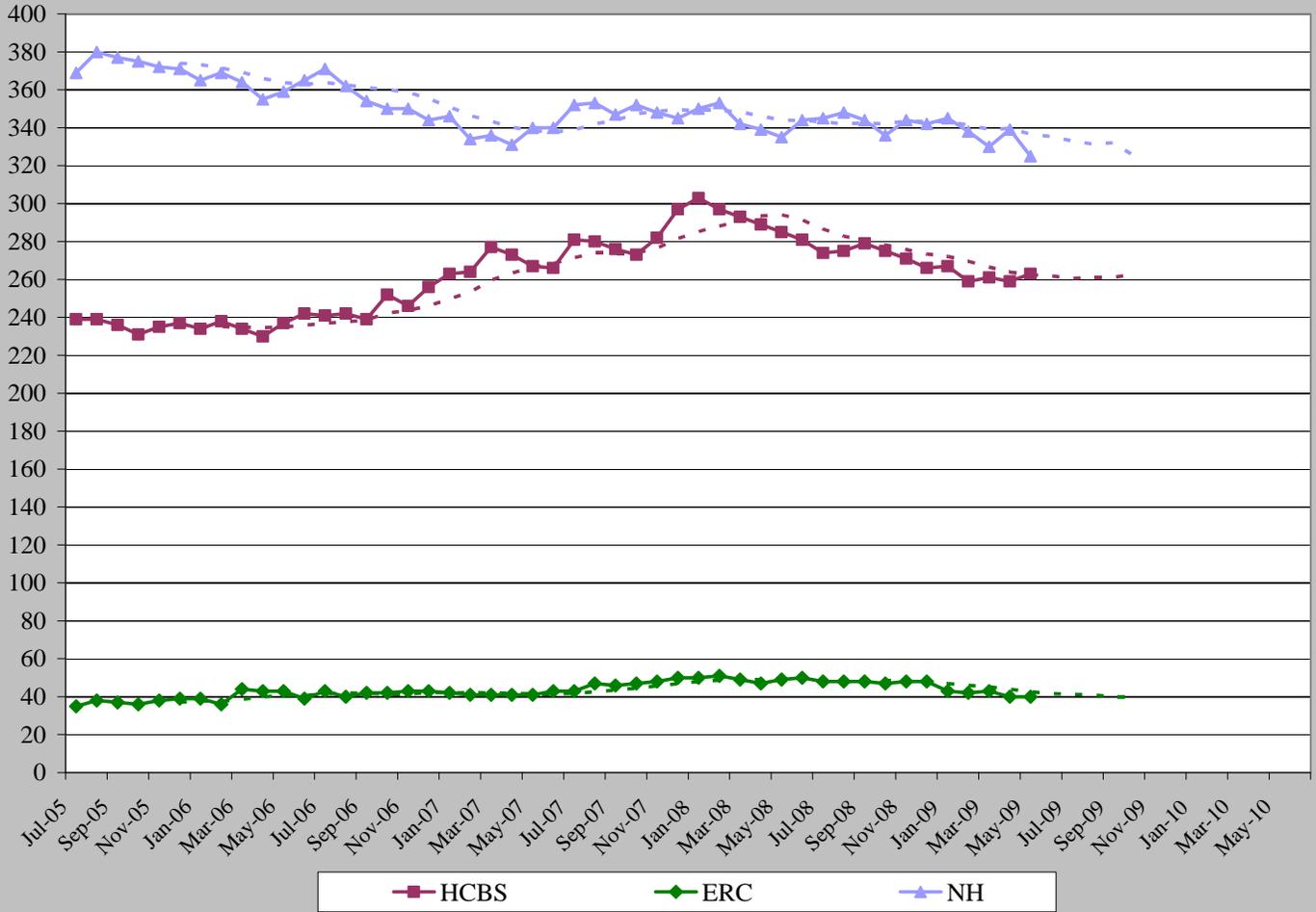


*Data source: EDS paid claims*

In Caledonia County, use of HCBS has increased significantly since July 2005, and the use of ERC has increased slightly. The use of nursing homes has decreased.

### Chittenden County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

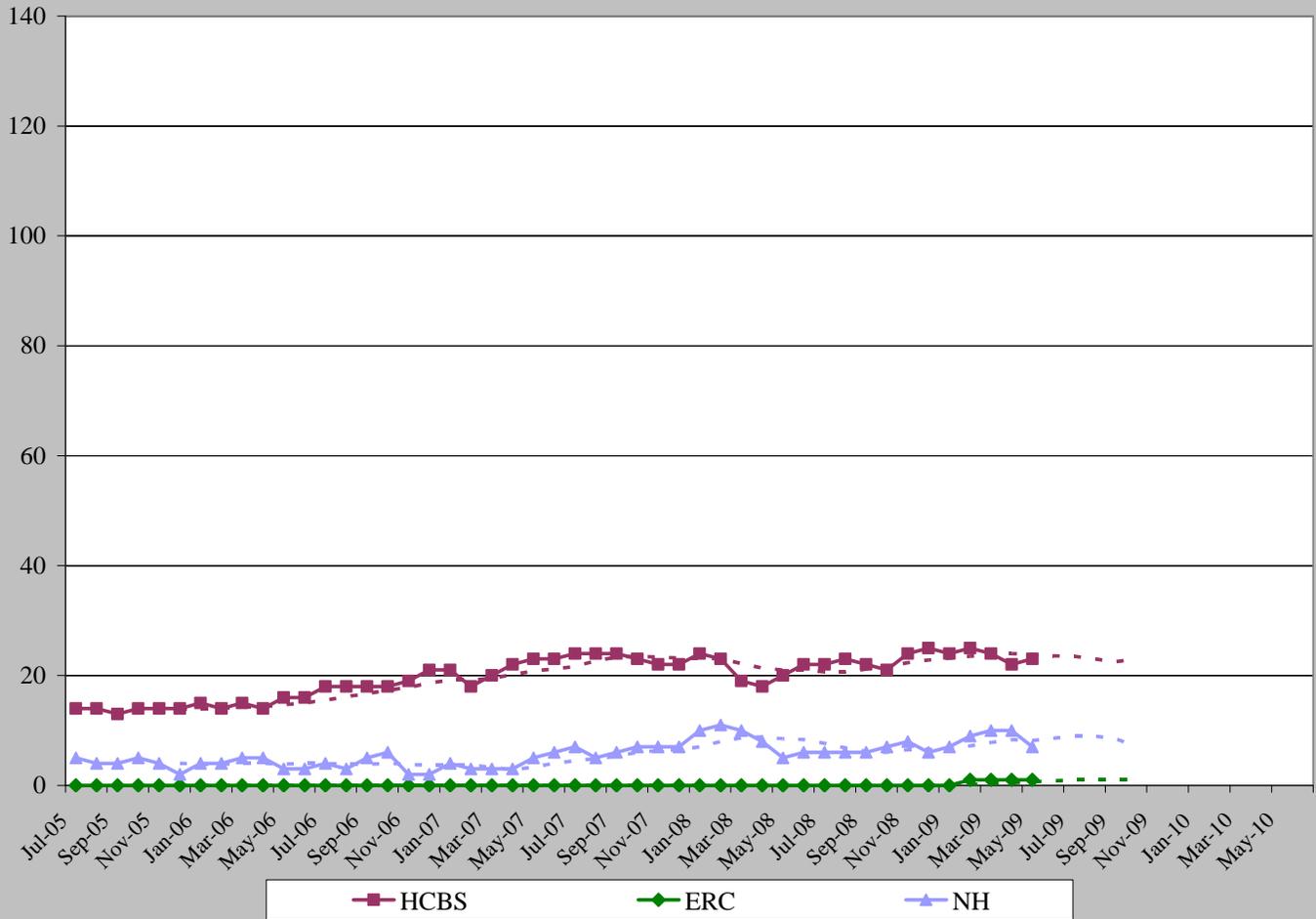


*Data source: EDS paid claims*

In Chittenden County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has decreased.

**Essex County: Choices for Care Participants by Setting, sfy2005 - sfy2009**

*data source: EDS paid claims by dates of service; excludes moderate needs group*

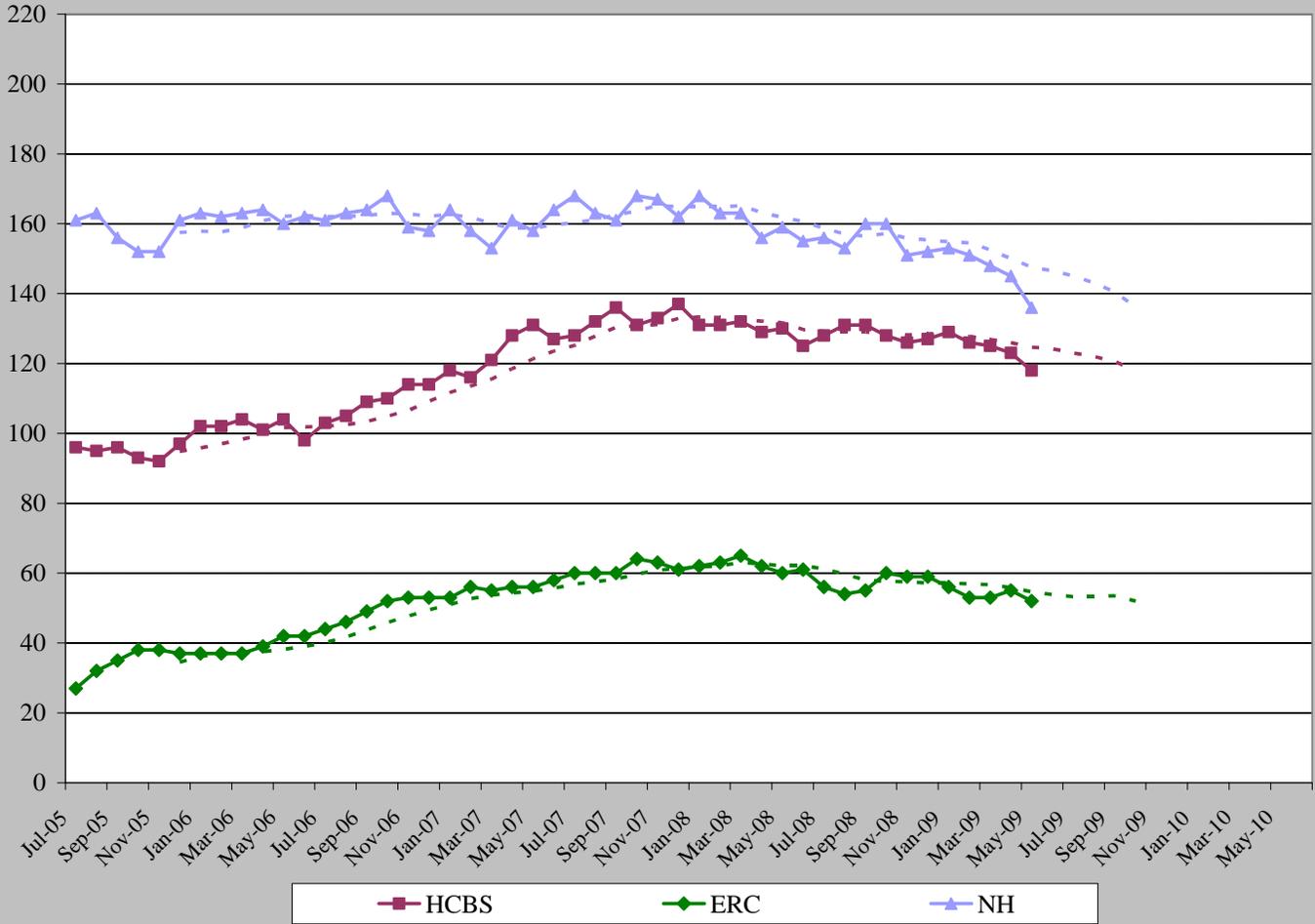


*Data source: EDS paid claims*

In Essex County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has also increased.

### Franklin County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

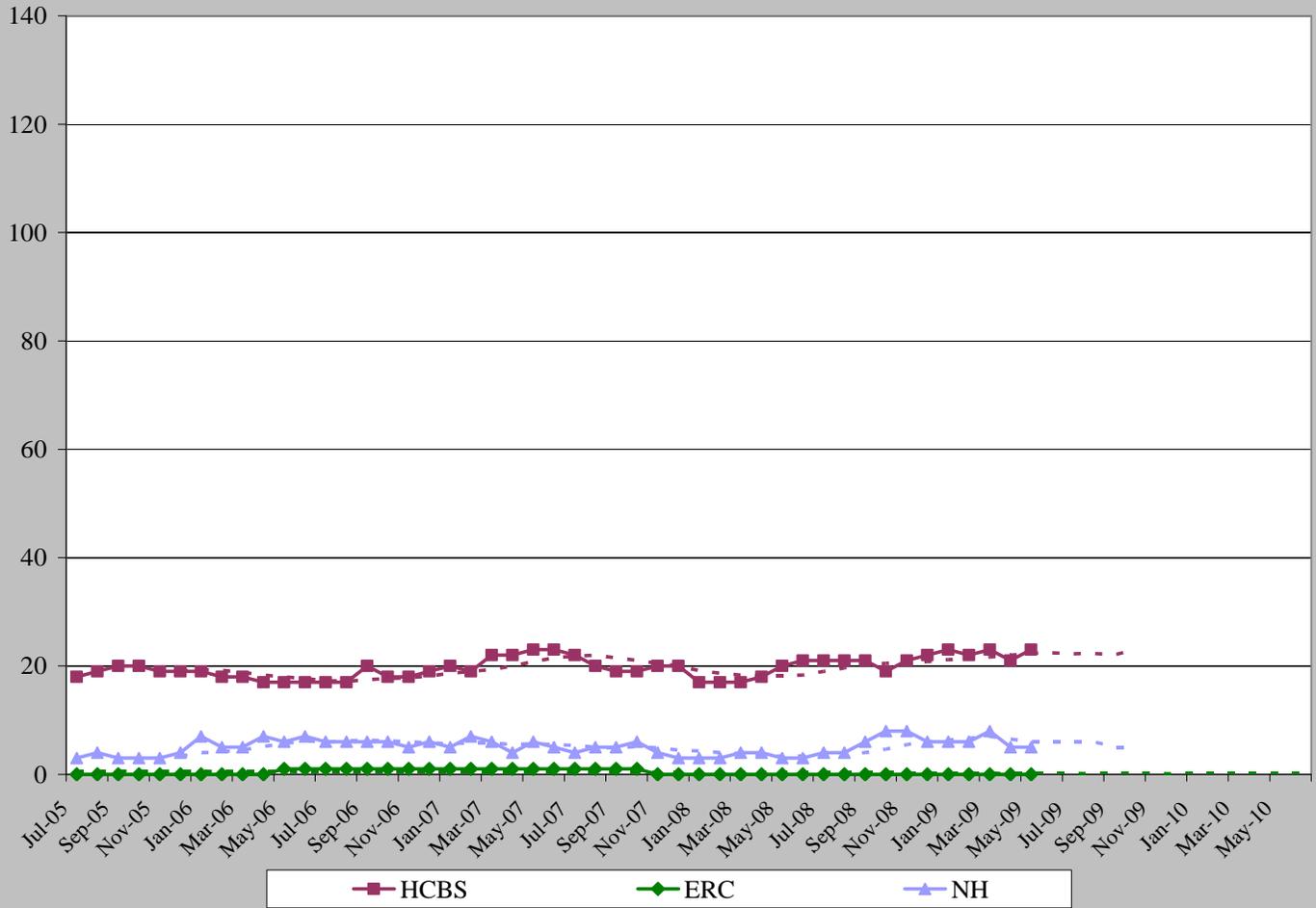


*Data source: EDS paid claims*

In Franklin County, use of both HCBS and ERC has increased since July 2005, while the use of nursing homes has decreased. The use of all three settings has decreased since February 2008, when the High Needs Group applicant list was recreated.

### Grand Isle County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

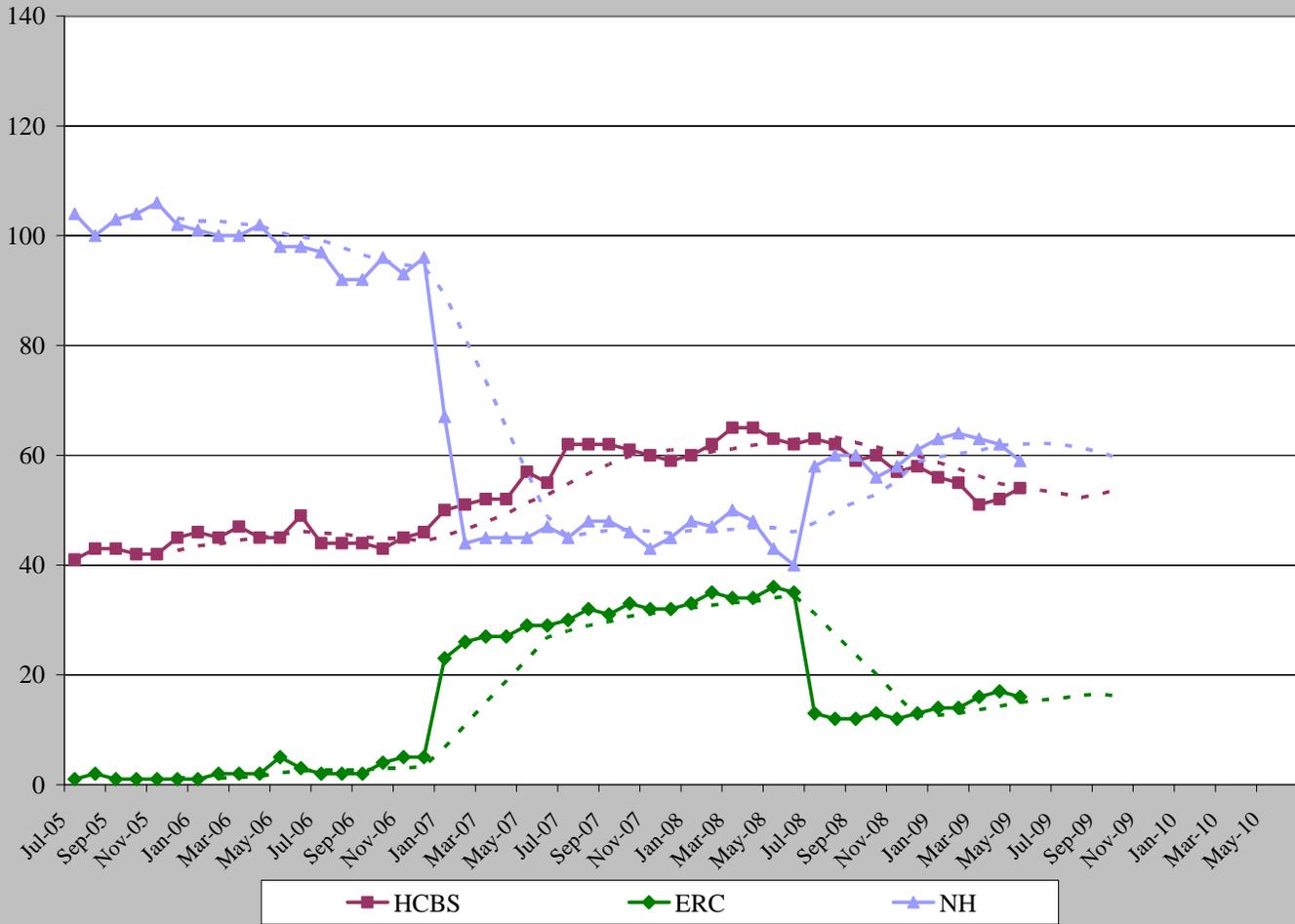


*Data source: EDS paid claims*

In Grand Isle County, use of HCBS and nursing homes has increased slightly since July 2005.

### Lamoille County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

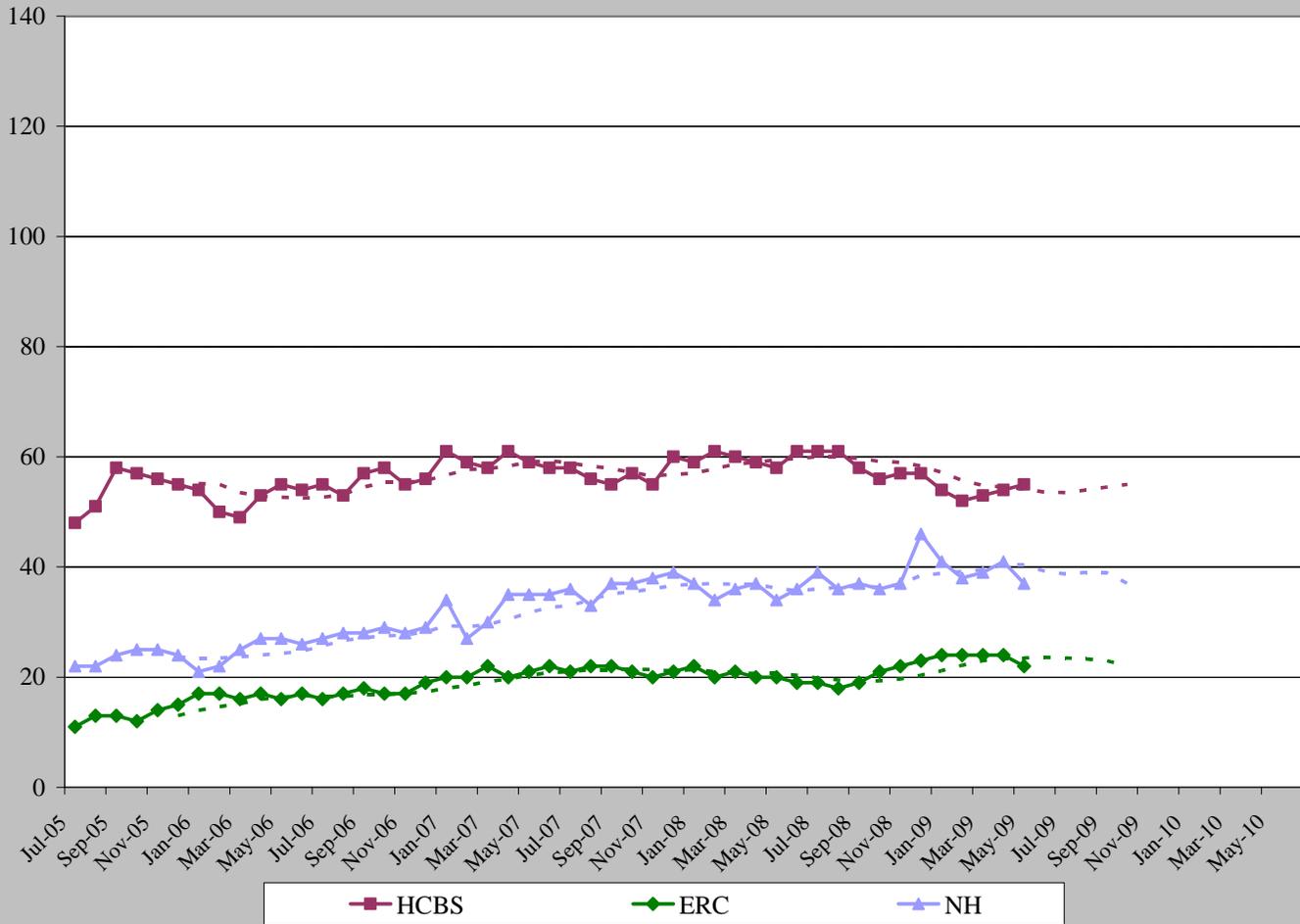


*Data source: EDS paid claims*

In Lamoille County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has decreased.

### Orange County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

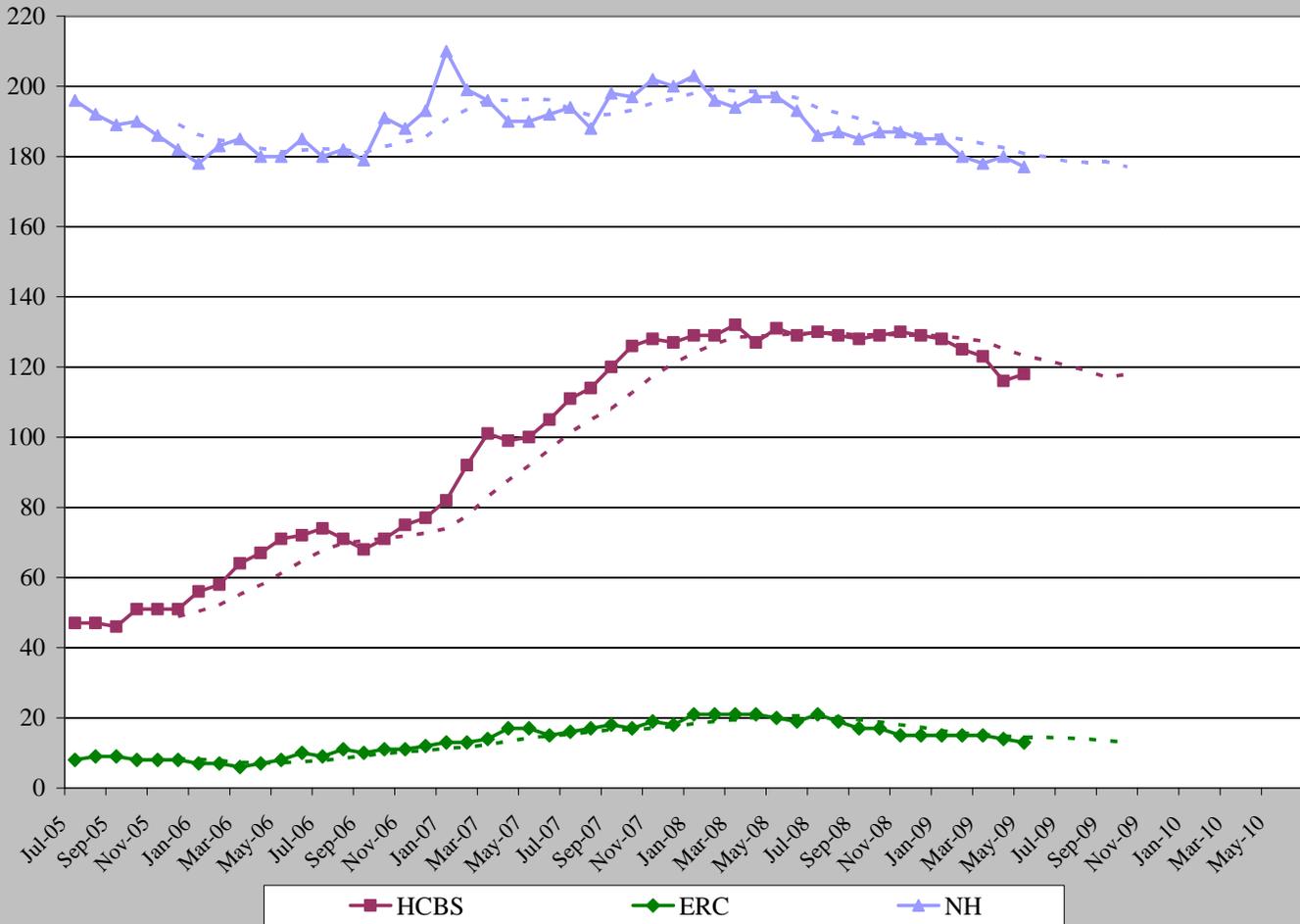


Data source: EDS paid claims

In Orange County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has increased at a faster rate.

### Orleans County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

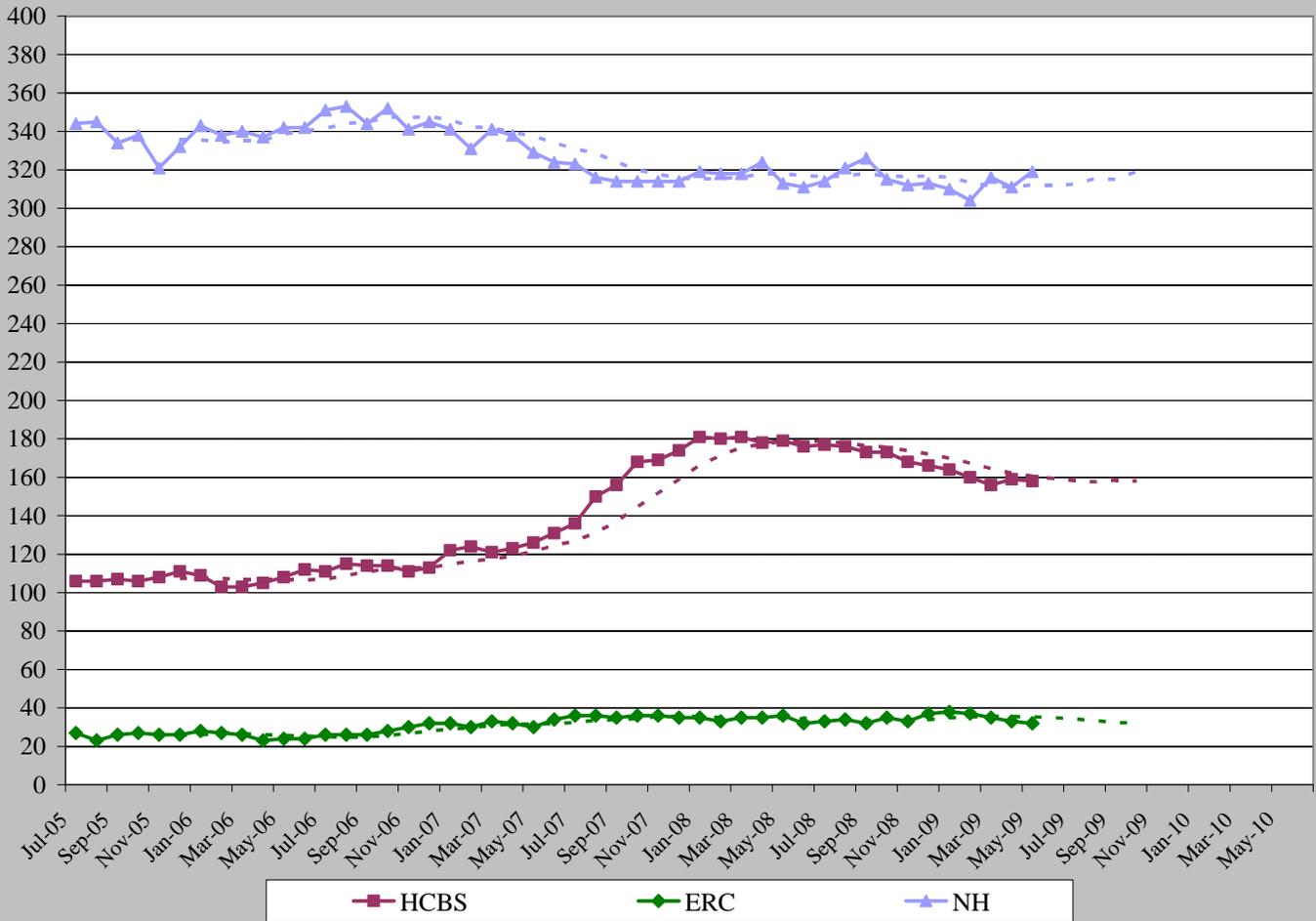


*Data source: EDS paid claims*

In Orleans County, use of HCBS has increased significantly since July 2005, and the use of ERC has increased slightly. The use of nursing homes has remained roughly stable. The use of all settings has decreased since February 2008, when the High Needs Group applicant list was recreated.

### Rutland County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

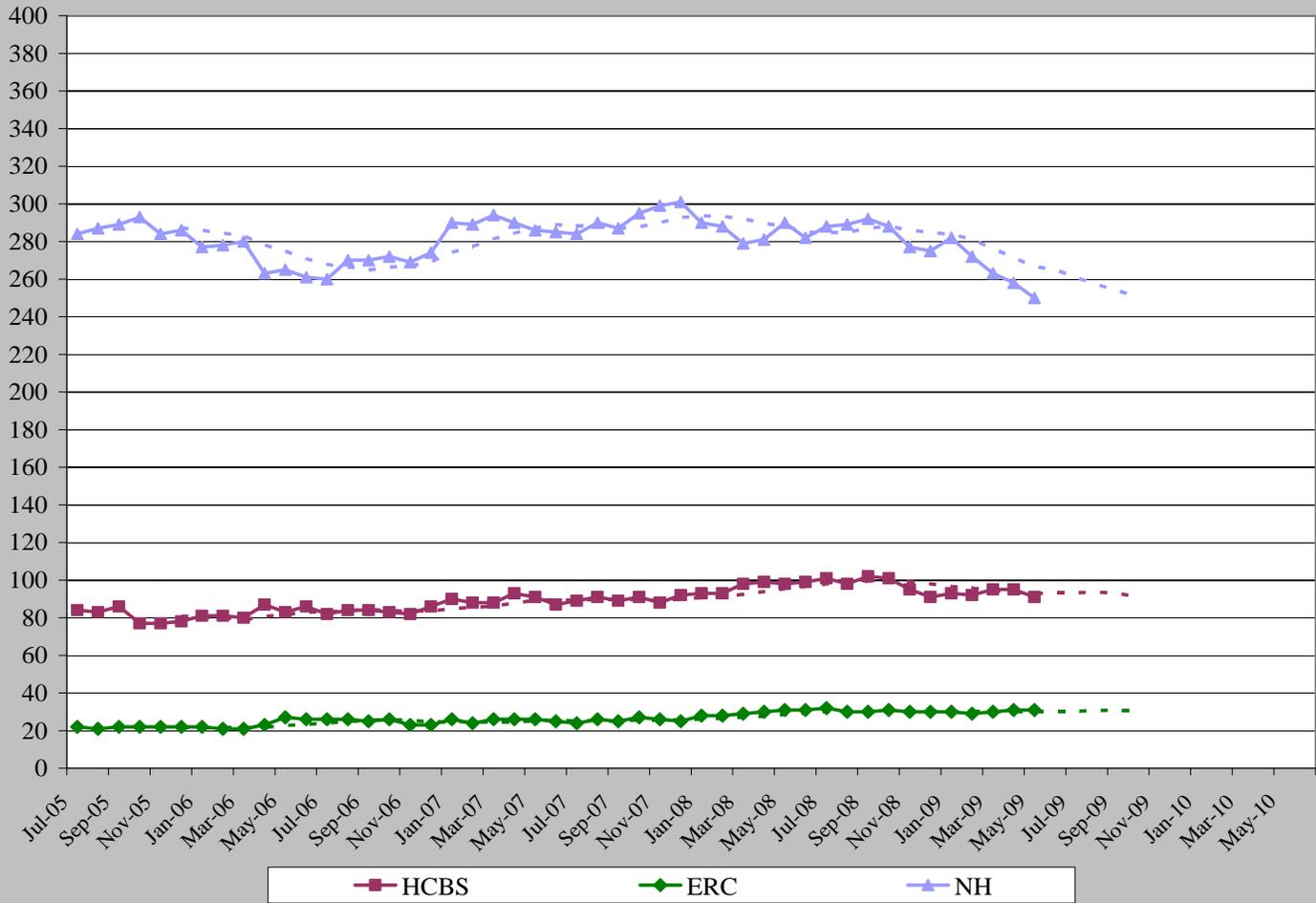


*Data source: EDS paid claims*

In Rutland County, use of HCBS has increased significantly since July 2005, and the use of ERC has increased slightly. The use of nursing homes has decreased.

### Washington County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

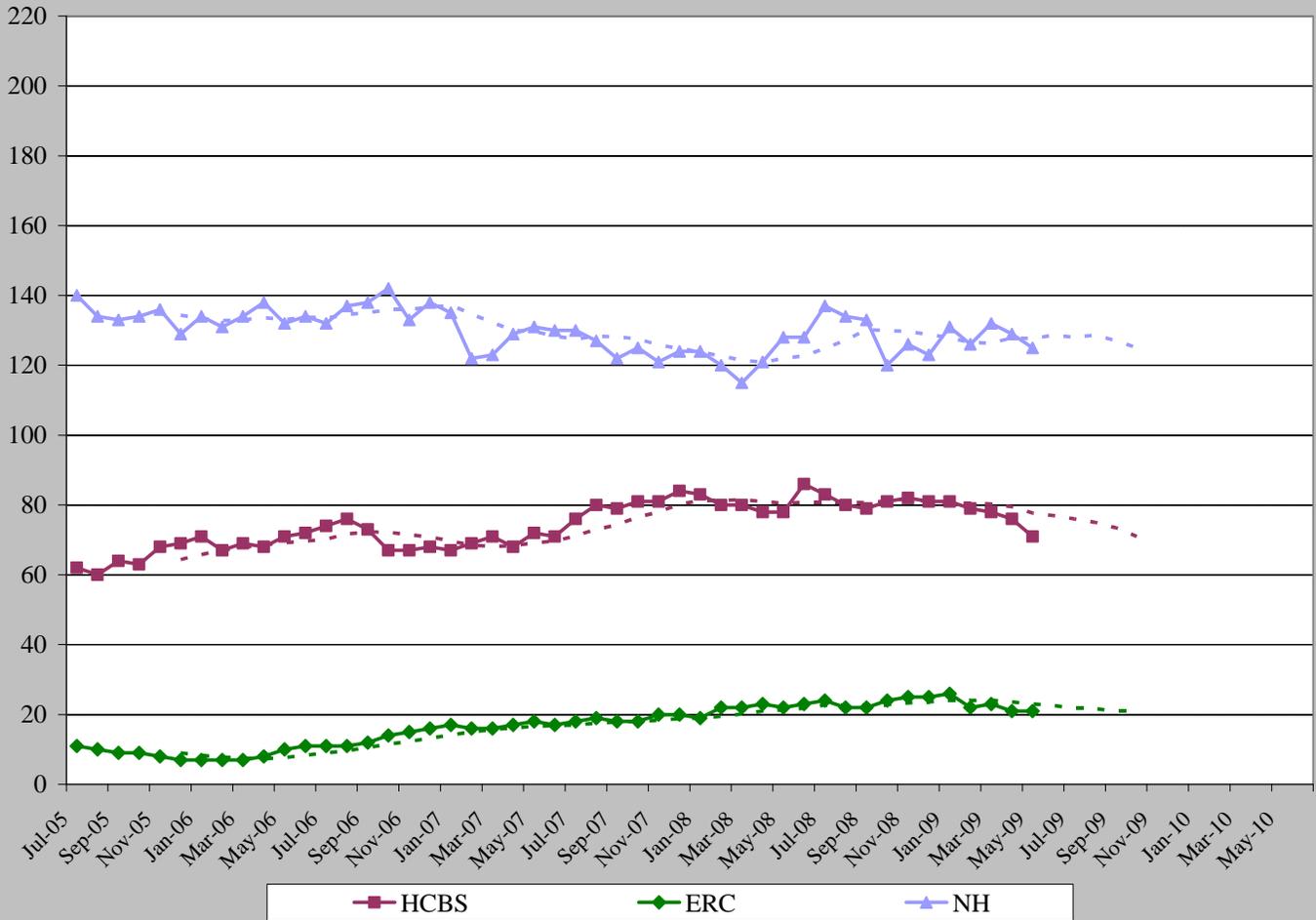


*Data source: EDS paid claims*

In Washington County, use of HCBS and ERC have both increased slightly since July 2005. The use of nursing homes has decreased since February 2008, when the High Needs Group applicant list was recreated.

### Windham County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

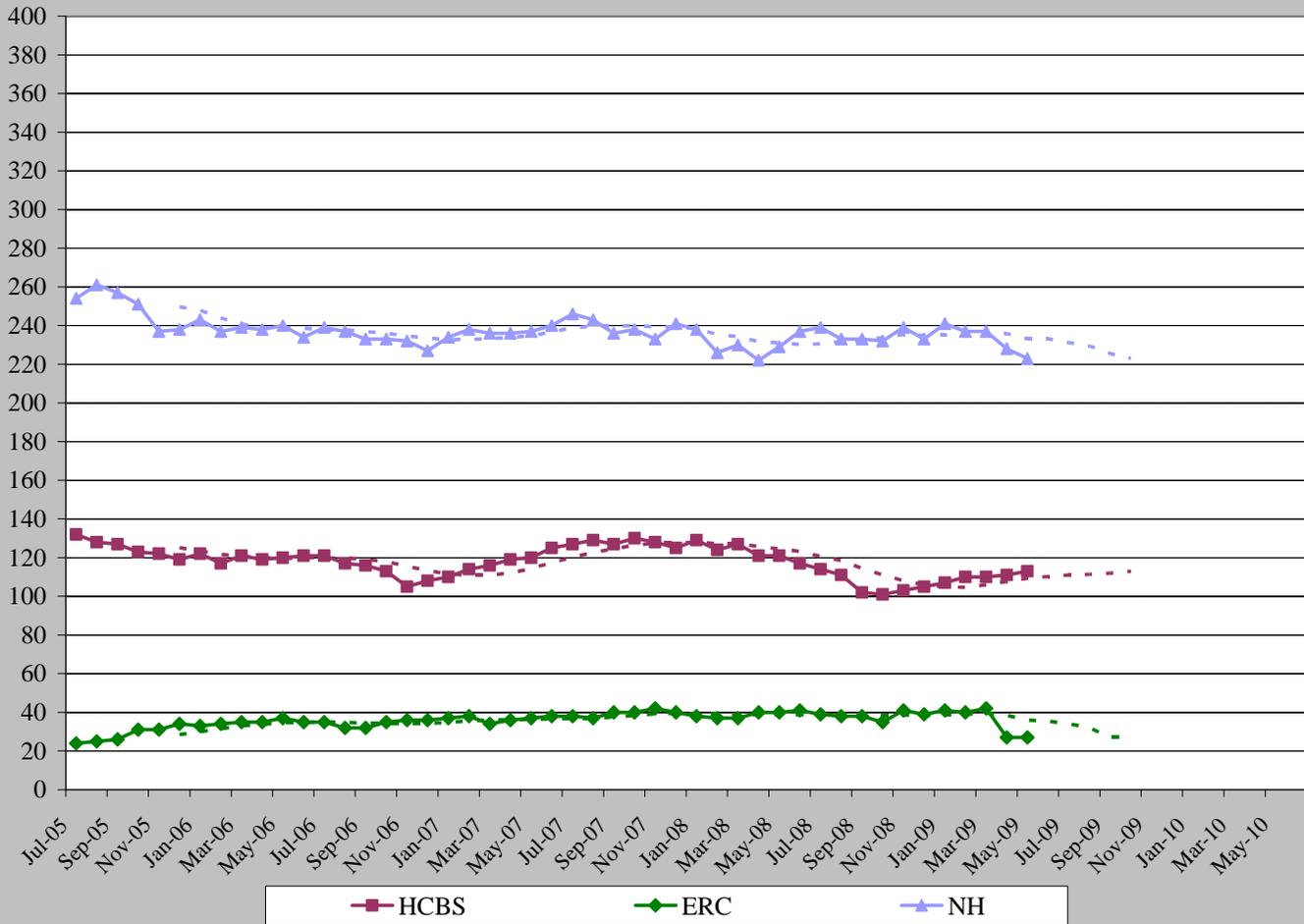


*Data source: EDS paid claims*

In Windham County, use of both HCBS and ERC has increased since July 2005. The use of nursing homes has decreased slightly.

### Windsor County: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*

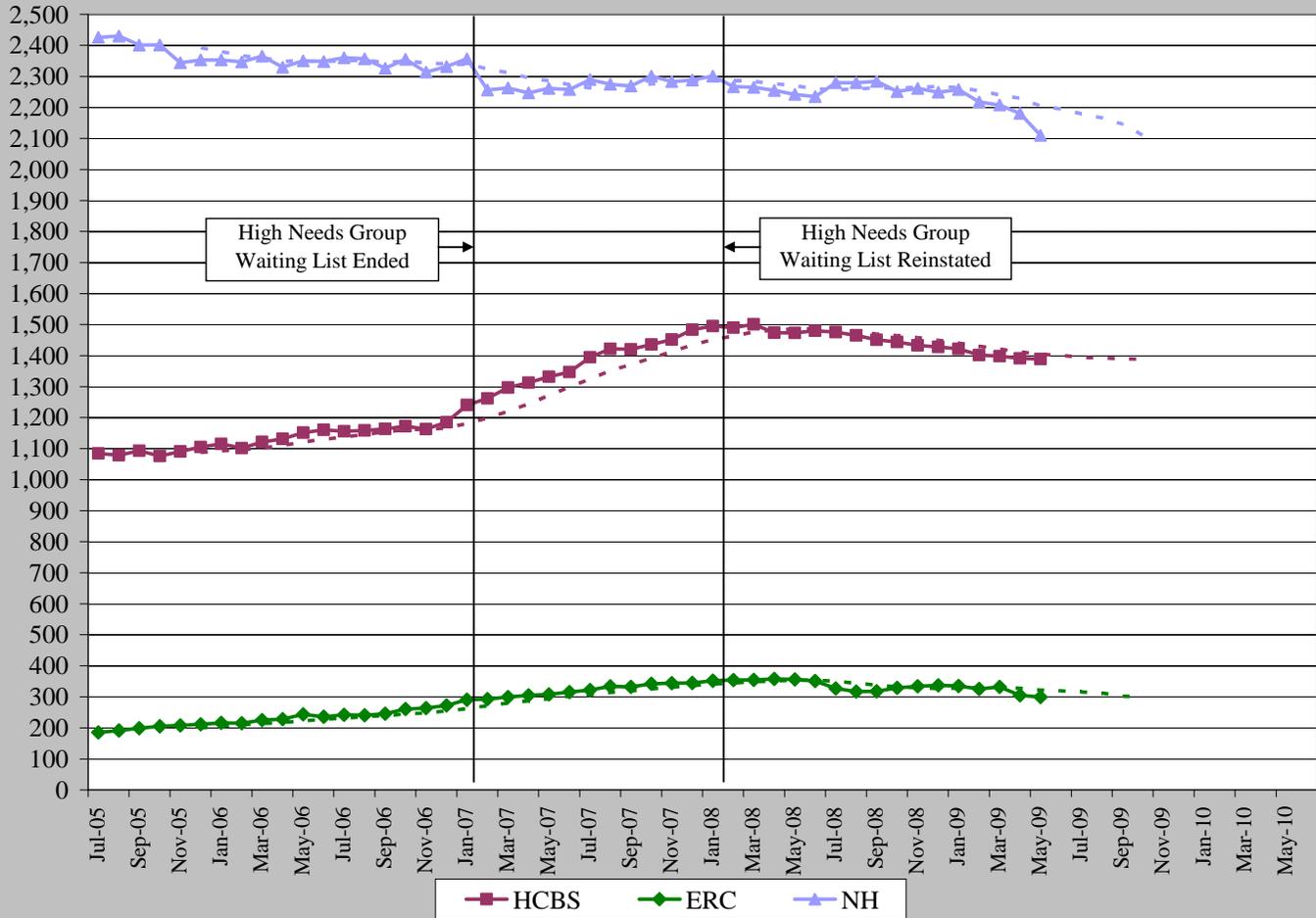


*Data source: EDS paid claims*

In Windsor County, use of both HCBS and nursing homes has decreased slightly since July 2005. The use of ERC has increased slightly.

### Vermont: Choices for Care Participants by Setting, sfy2005 - sfy2009

*data source: EDS paid claims by dates of service; excludes moderate needs group*



*Data source: EDS paid claims*

In Vermont as a whole, use of HCBS has increased significantly since July 2005. The use of ERC has increased, and the use of nursing homes has decreased. The use of all settings has decreased since February 2008, when the High Needs Group waiting list was recreated.