



Choices for Care

Quarterly Data Report

January 2010

This report describes the status and progress of Choices for Care, Vermont's Medicaid long term care service system (excluding separate Traumatic Brain Injury and Developmental Services funding/services.) This report is intended to provide useful information regarding enrollment, service delivery, 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 provider reports.

We welcome your comments, questions and suggestions.

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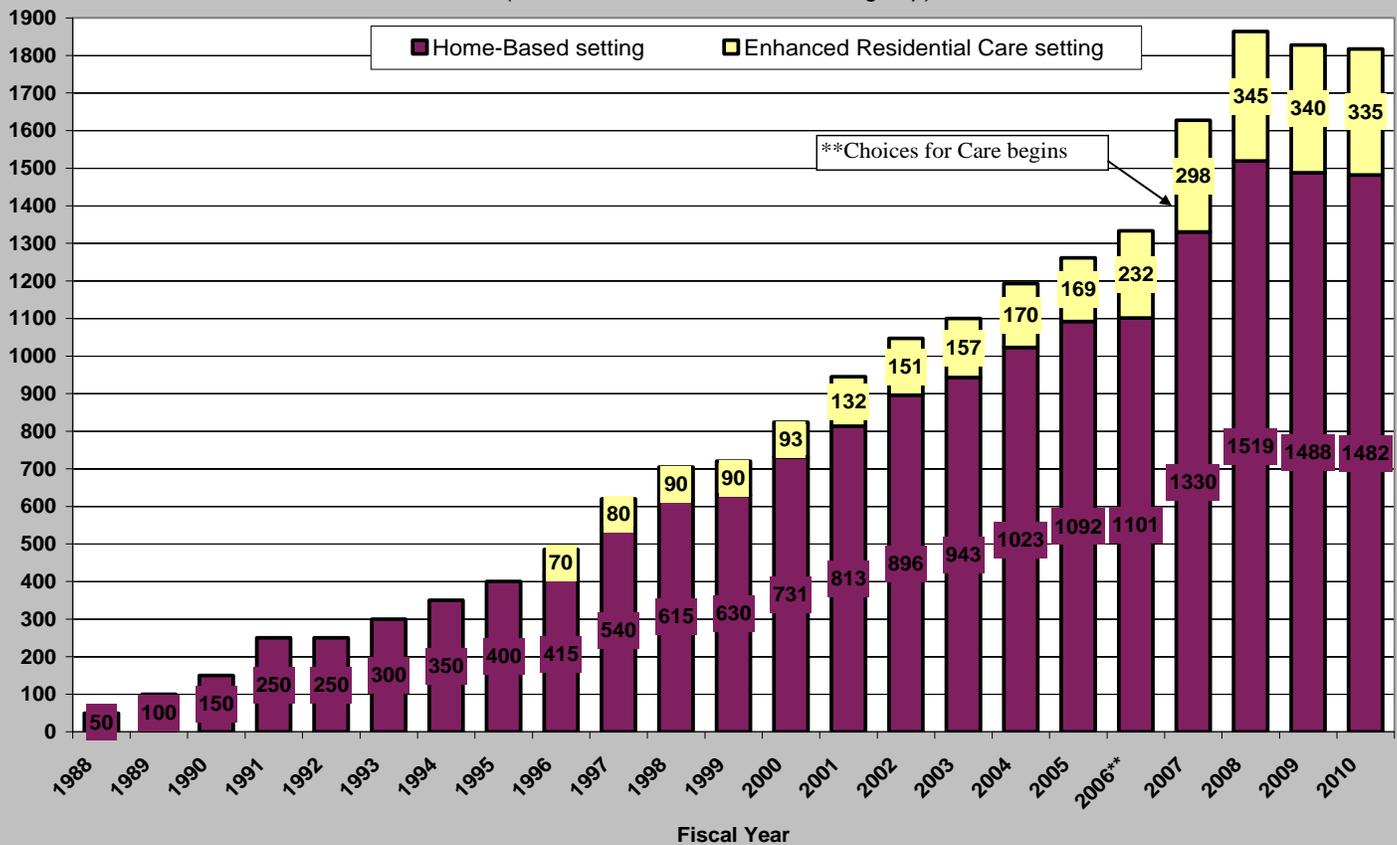
Note:

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)



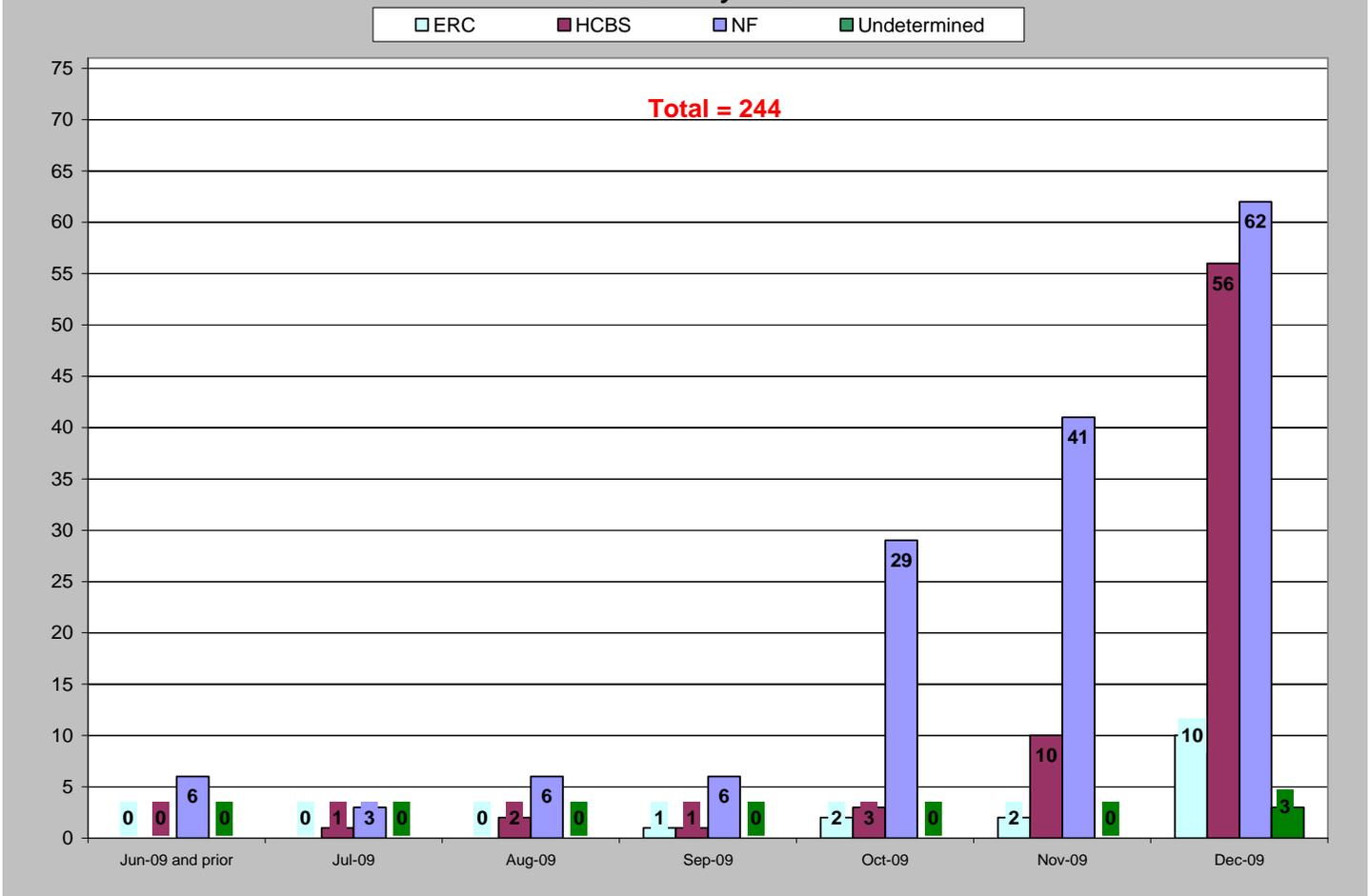
Data source: DAIL/DDAS databases

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%. The numbers of people served in sfy2009 and sfy2010 decreased a result of the High Needs Group applicant/waiting list, which was imposed to reduce expenditures.

**Choices for Care: Applications 'Pending Medicaid' by Status Date
October 2005 through December 2009
as of January 2010**

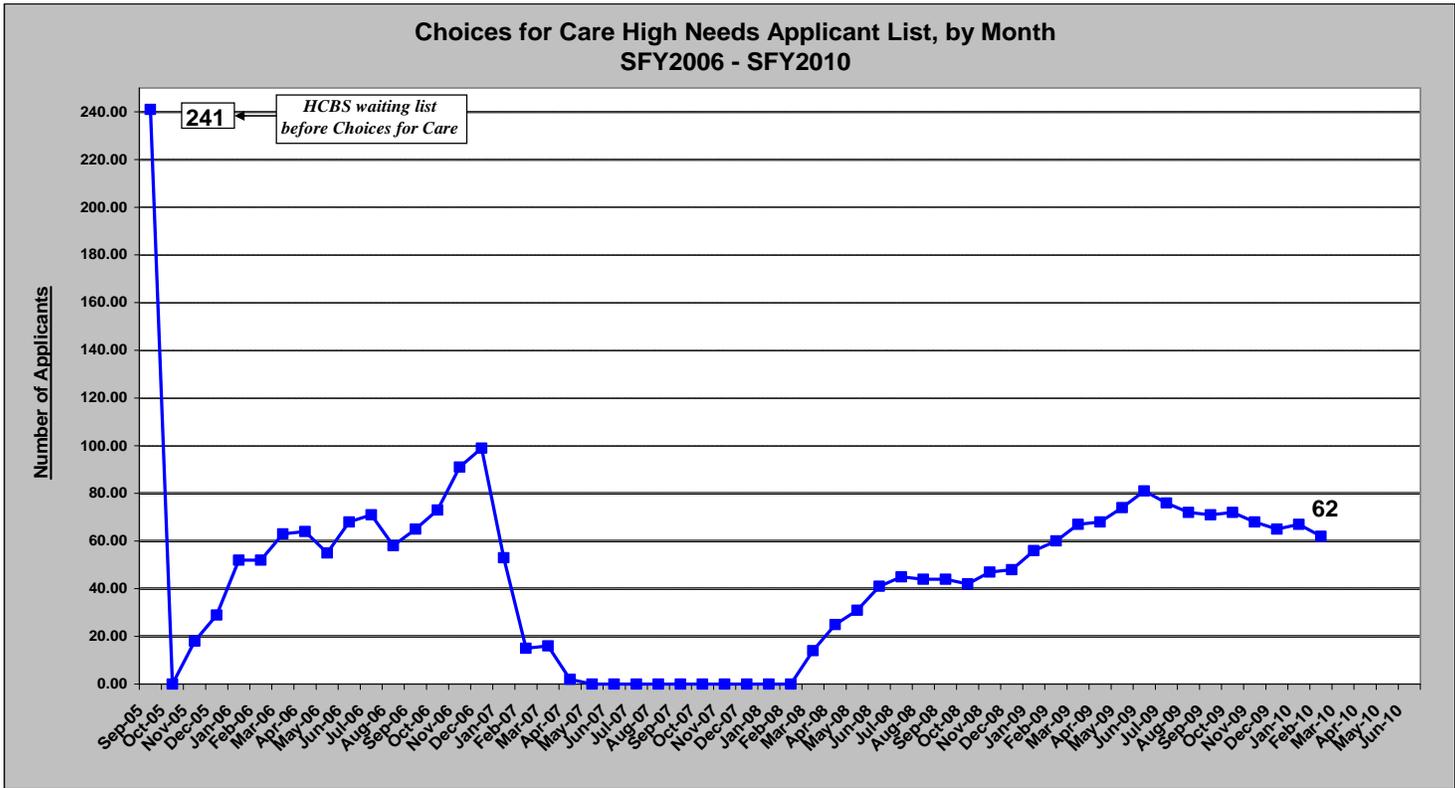


Data source: DAIL/DDAS SAMS database.

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, the number of applications 'pending Medicaid' had grown to more than 400. In recent months, this had decreased to about 200, suggesting reduced delays in Medicaid eligibility determinations. This has now increased to nearly 250. 54% of the pending applications had been received in the previous month. 75% had been received in the previous two months.

Based on an average of 302 applications per month, it appears that Medicaid eligibility decisions are made within one month for about 57% of applications, and within two months for about 82% of applications. While these percentages are slightly lower than in the recent past, they are higher than the initial years of Choices for Care, suggesting that Medicaid eligibility determinations are now generally completed more quickly.



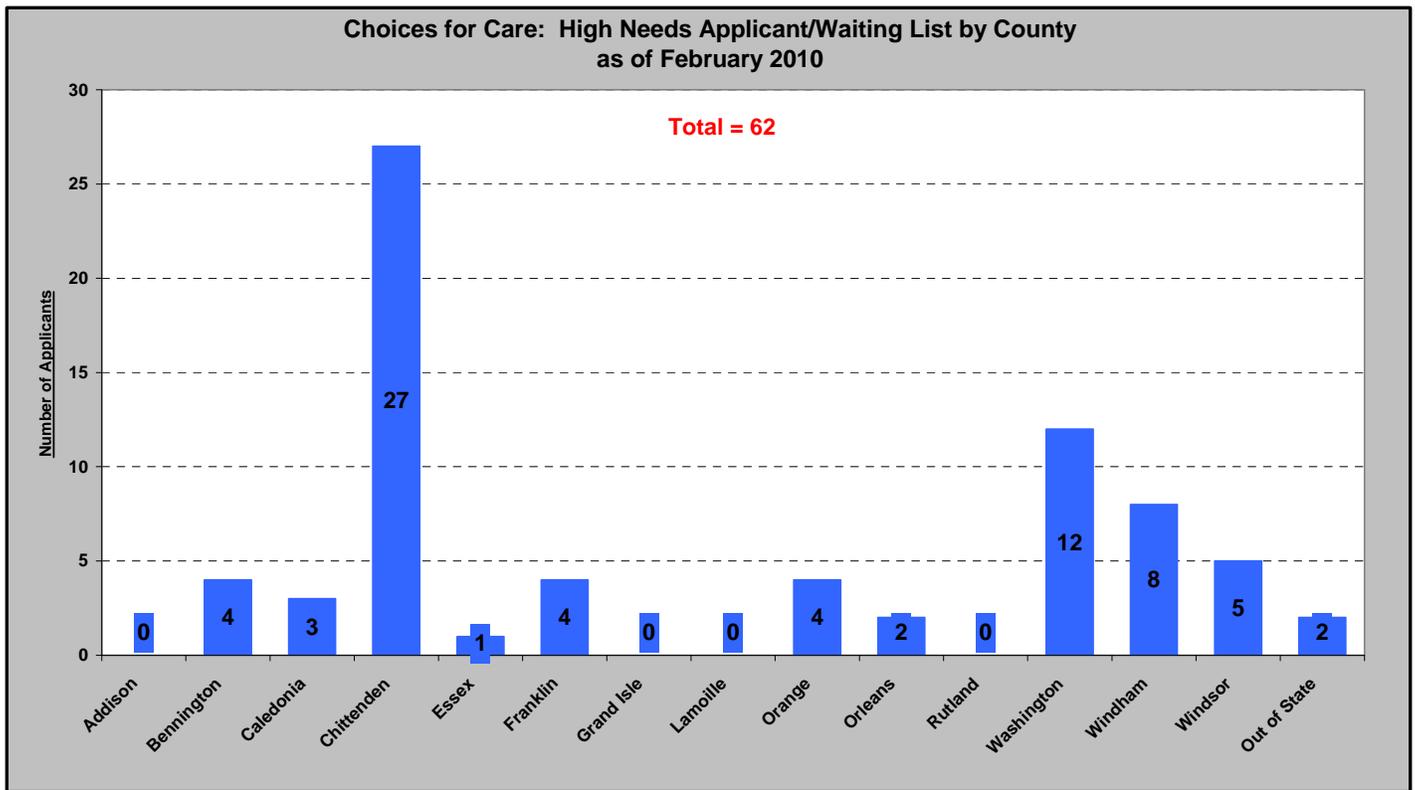
Data source: DAIL/DDAS SAMS database.

Another indicator of access to services is the number of people on waiting lists. Prior to Choices for Care, 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 met 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. The Choices for Care applicant/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. At the request of members of the DAIL Advisory Board this waiting list was renamed ‘applicant’ list.

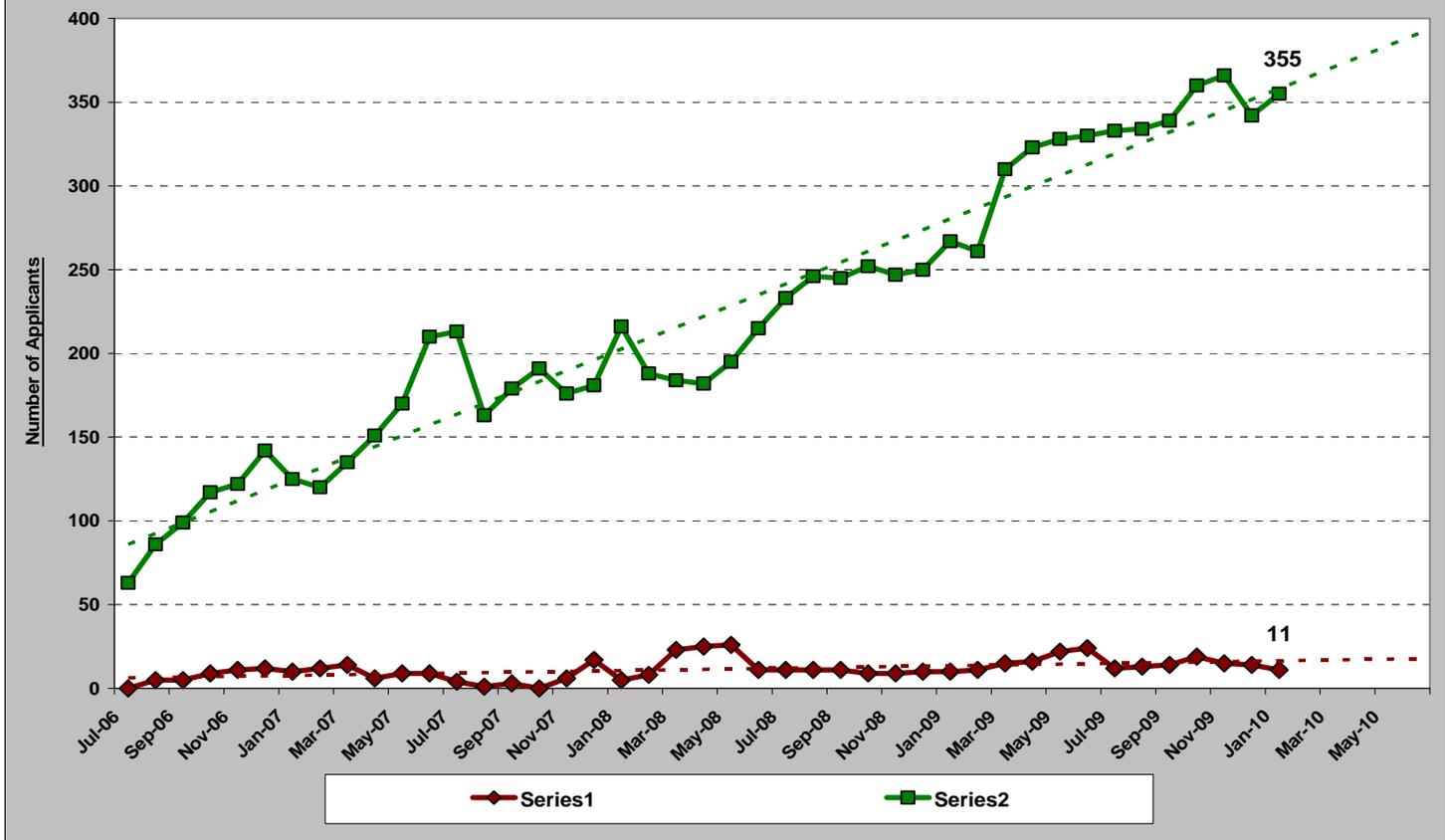


Data source: DAIL/DDAS SAMS database

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.

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.

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.

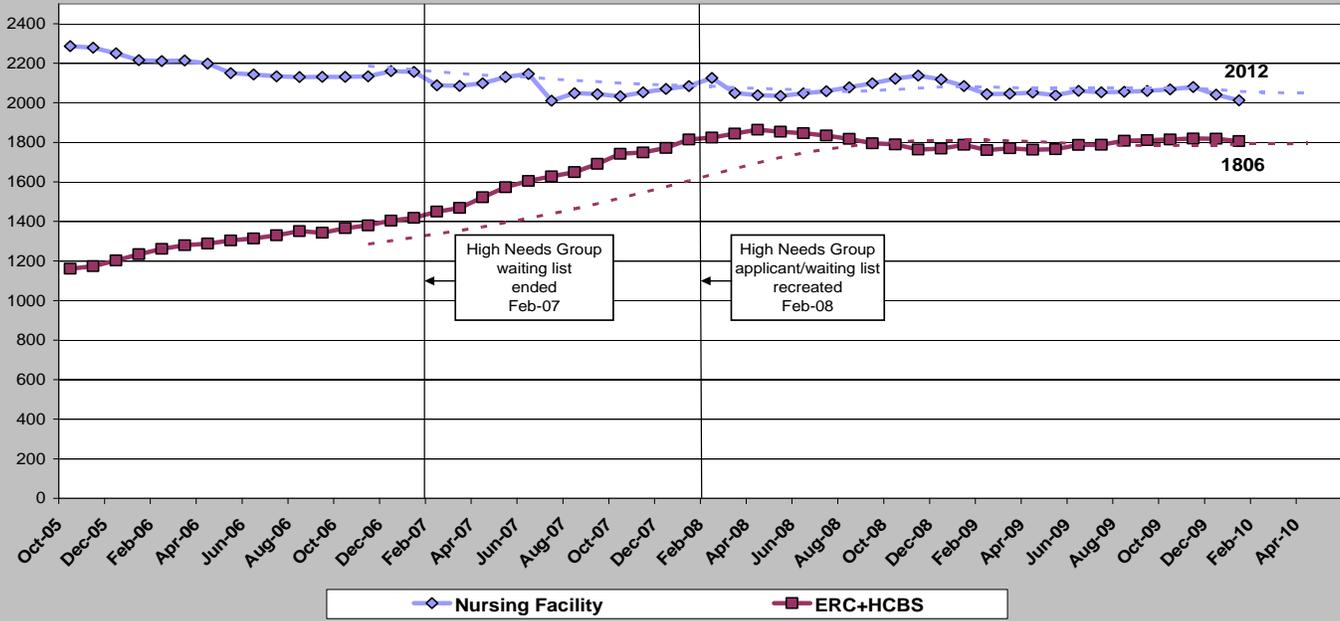
This graph shows the numbers of people placed on waiting lists for Moderate Needs Group Homemaker and Adult Day Services. The graph begins in July 2006 when providers began submitting monthly waiting list information to the Division of Disability and Aging Services (DDAS).

The number of people waiting for Homemaker services has increased over time. Of the thirteen Homemaker providers, nine reported waiting lists in January 2010. The number of people on the Homemaker waiting lists ranged from 4 to 186, with a median waiting list of 15 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.

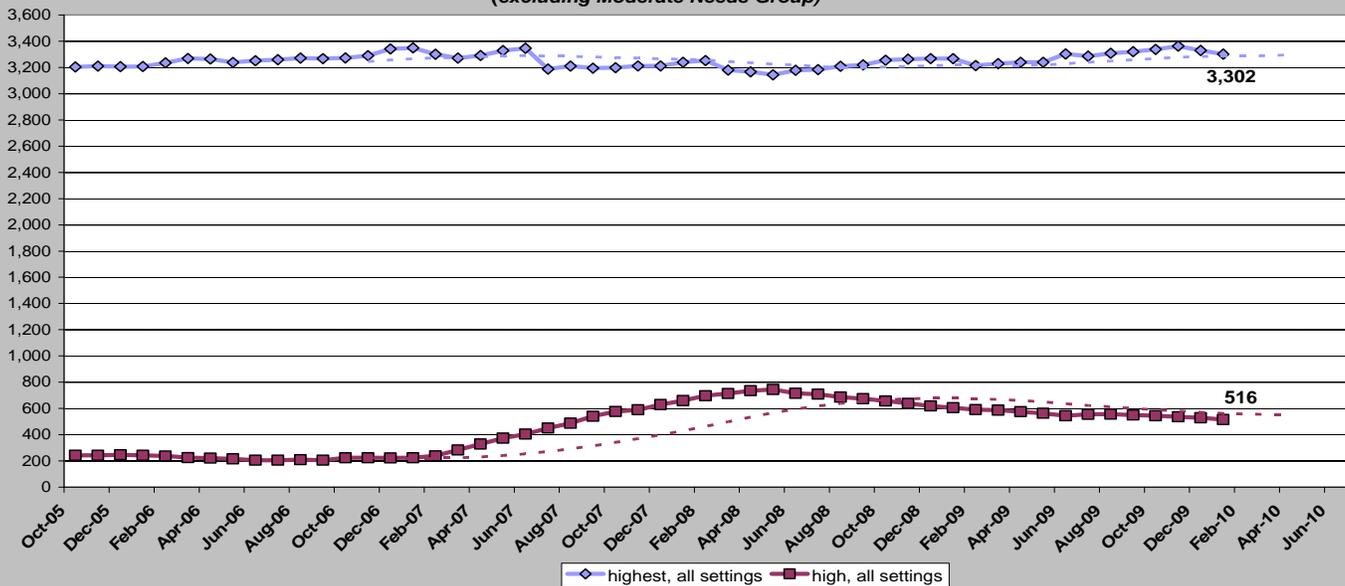
The number of people waiting for Adult Day services has varied over time, but has never exceeded 26 people. Of the fourteen Adult Day providers, two reported waiting lists in January 2010.

The recent (November 2009) freeze on new enrollment in the Moderate Needs Group will reduce the number of people served in the Moderate Needs Group, and may lead to increases in the number of people on applicant/waiting lists.

Choices for Care: Total Number of Enrolled Participants
SFY 2006 - SFY 2010
(excluding Moderate Needs Group)



Choices for Care: Total Number of Enrolled Participants (ERC,HCBS&NF)
SFY 2006 - SFY 2010
(excluding Moderate Needs Group)

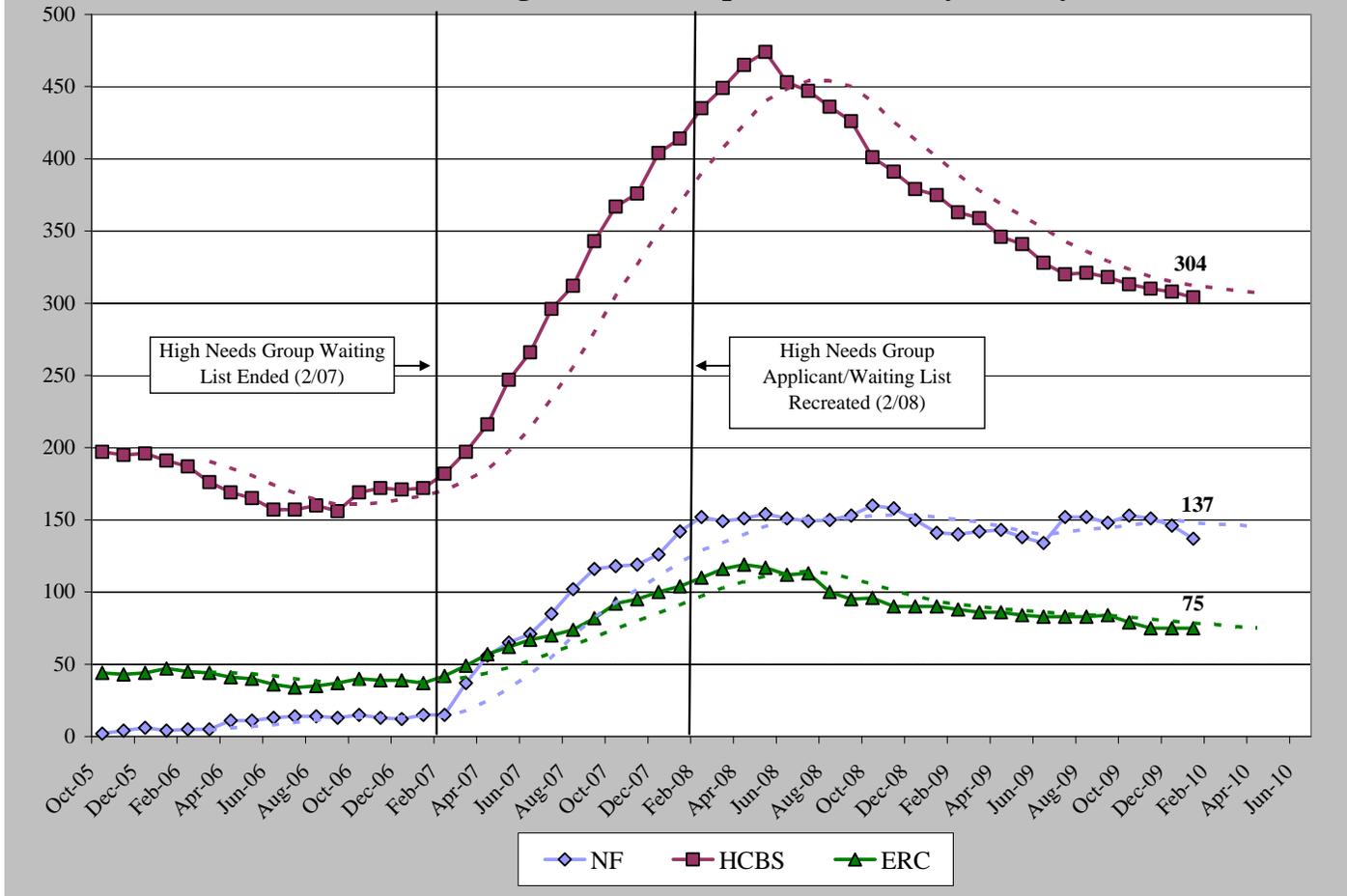


Data source: DAIL/DDAS SAMS database.

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 until May 2008, followed by relatively ‘flat’ enrollment.
- Alternative settings: a slow increase in the number of people enrolled through April 2008, followed by relatively ‘flat’ enrollment.

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

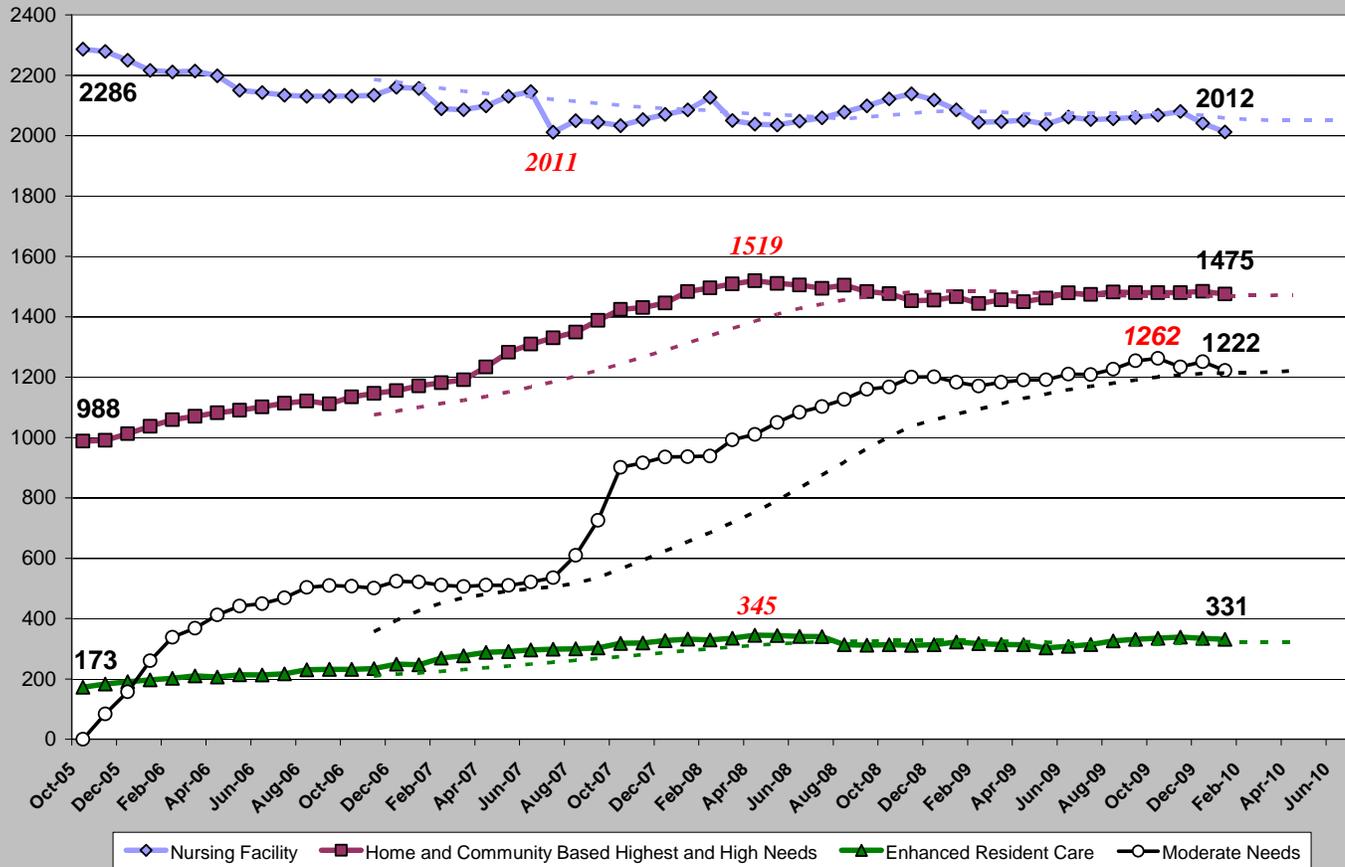


Data source: DAIL/DDAS SAMS database.

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 the HCBS setting has decreased steadily. Enrollment in ERC has decreased slowly, while enrollment in nursing homes has been relatively stable.

**Choices for Care: Total Number of Enrolled Participants by Setting
SFY 2006 - SFY 2010**



Data source: DAIL/DDAS SAMS database.

This graph shows Choices for Care enrollment by setting.

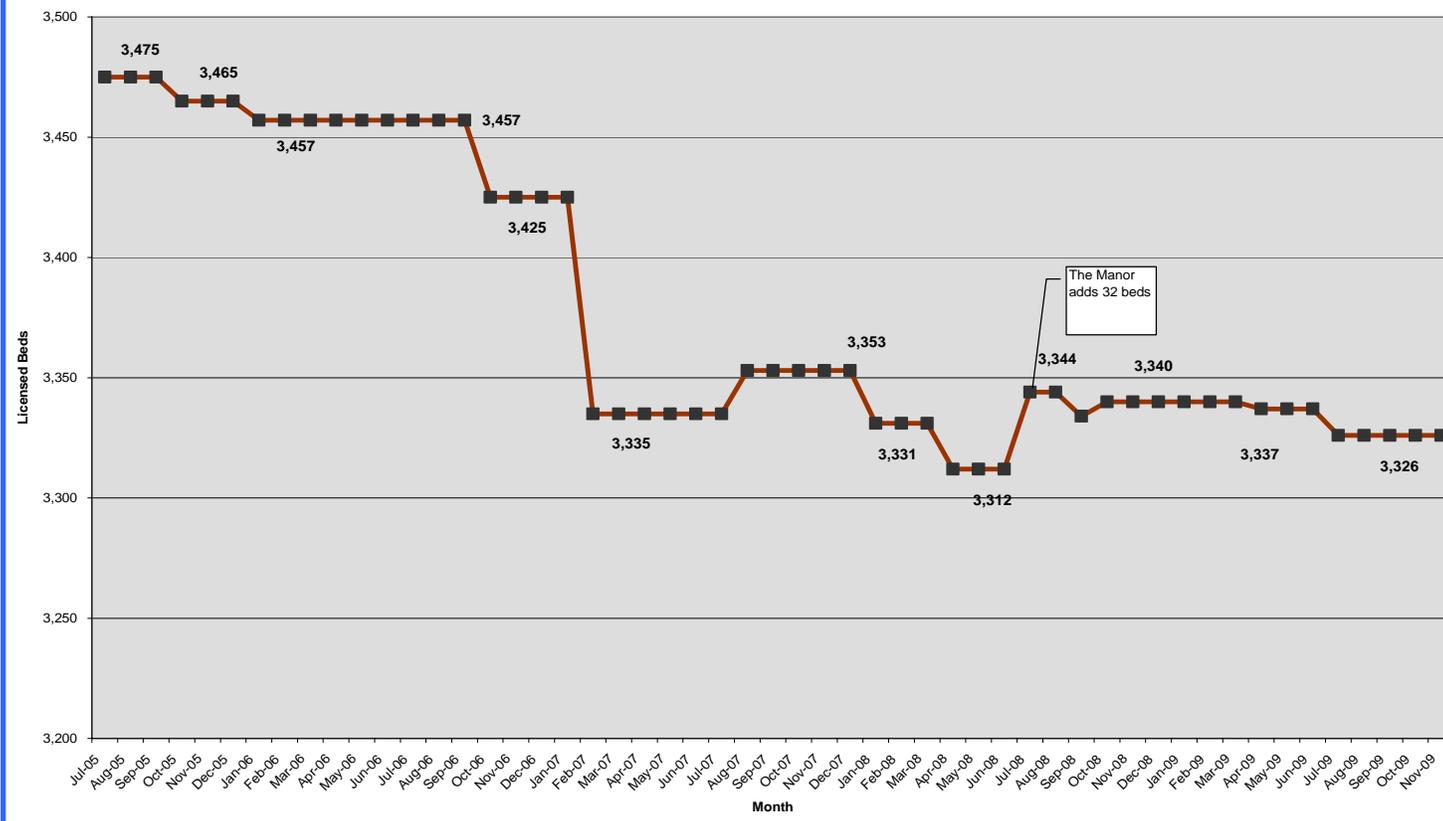
Nursing homes: between October 2005 and January 2010, the number of people enrolled in the nursing home setting decreased by 274. This was associated with a decrease of 148 beds in Vermont’s licensed nursing home capacity.

Home Based Services (Highest/High Needs Groups): between October 2005 and January 2010, the number of people enrolled in HCBS increased by nearly 500 people.

Enhanced Residential Care (ERC): between October 2005 and January 2010, the number of people enrolled in ERC increased by 158.

HBS Moderate Needs Group (MNG): this “expansion” group was created in October 2005, and by January 2010 had grown to include 1222 people. The recent (November 2009) freeze on new enrollment in the Moderate Needs Group can be expected to lead to ongoing decreases in enrollment in the coming months.

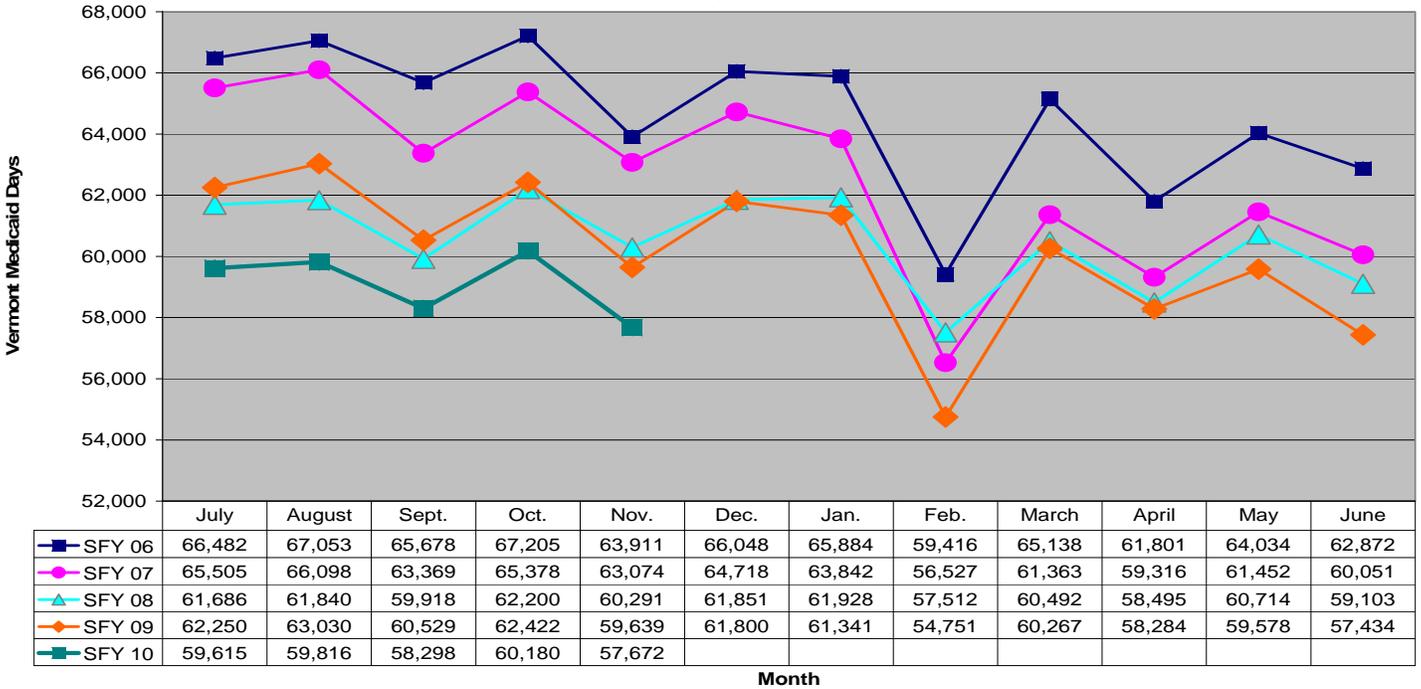
Total Number of Vermont Nursing Home Licensed Beds Including Homes Not Participating in Medicaid



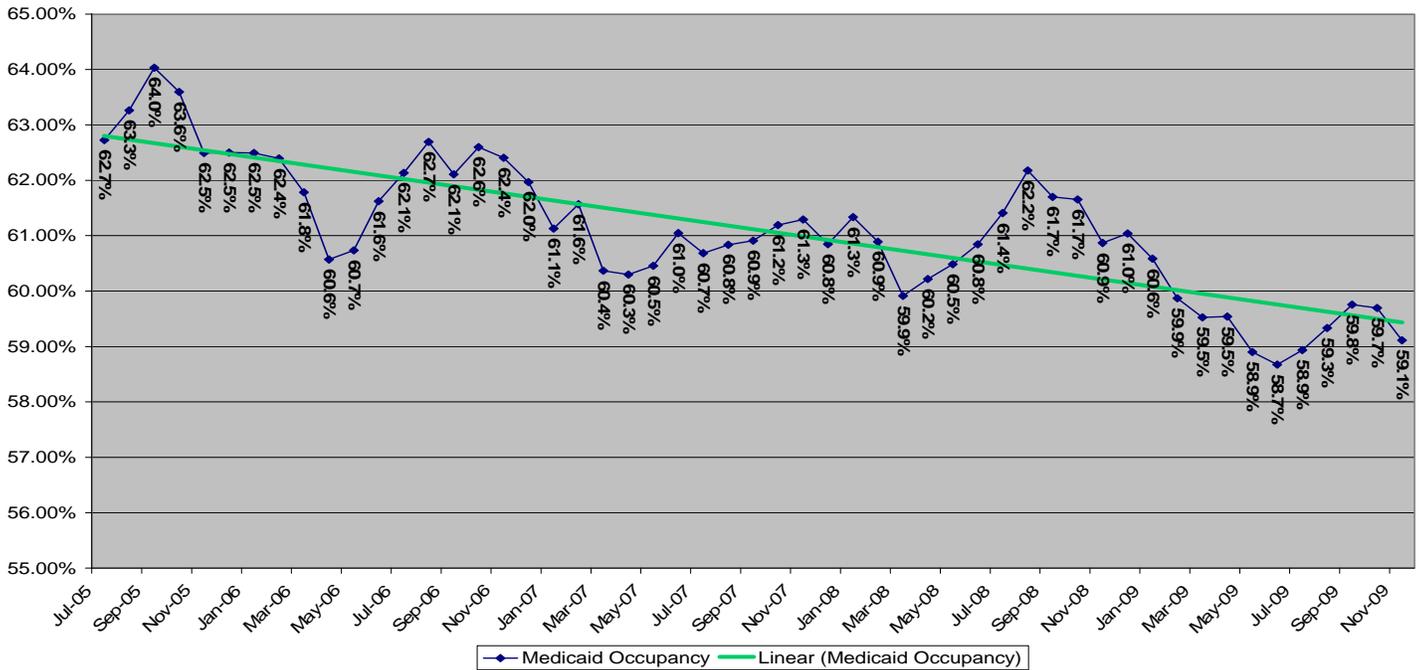
Data source: DRS, monthly provider reports

This shows the decrease in licensed nursing home bed capacity in Vermont since July 2005: 148 beds.

Vermont Medicaid Days from SFY 06 to SFY 10



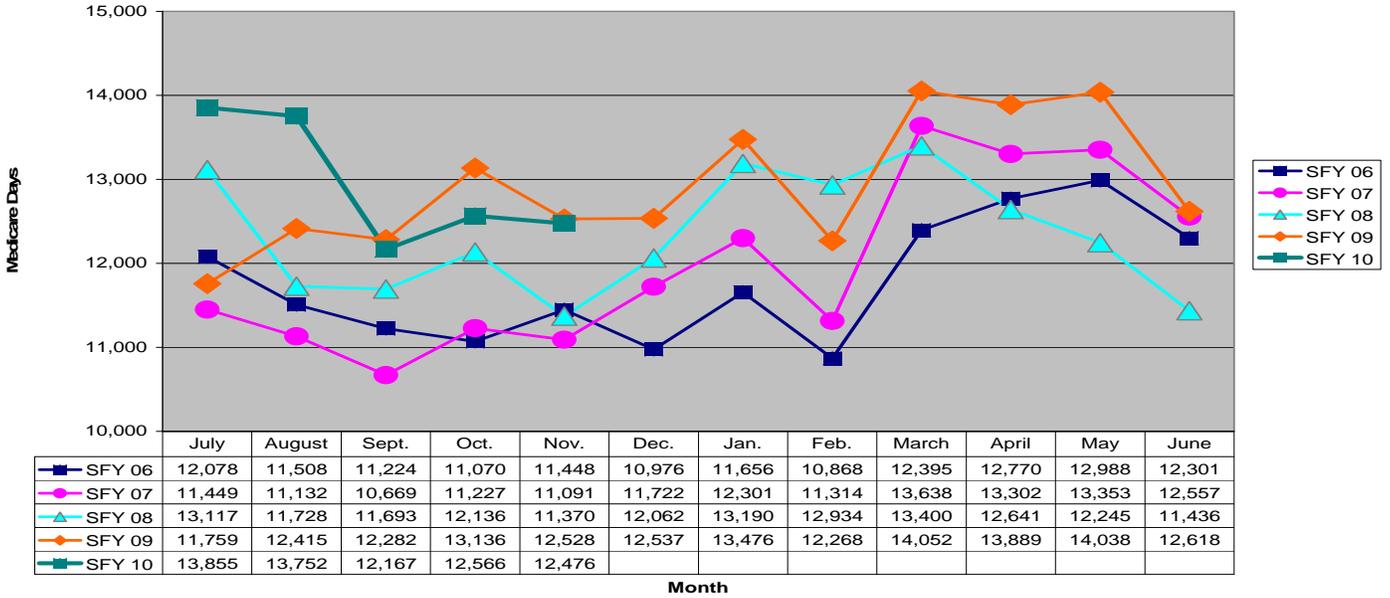
**Medicaid Occupancy as a Percentage of Medicaid Available Bed Days
Beds in the Medicaid Program Have Declined by 167 Beds During This Period**



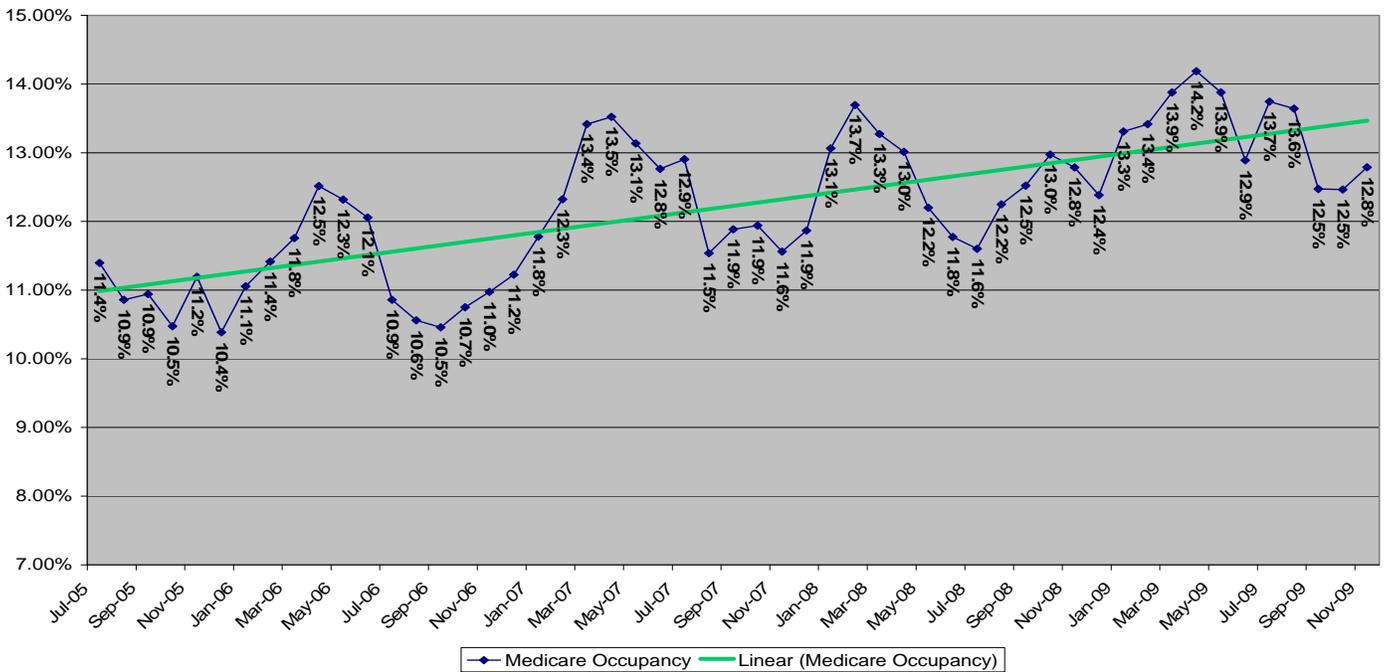
Data source: DRS, monthly provider reports

These graphs show a gradual decrease in the use of nursing home beds by Medicaid residents. This decrease is masked by annual cycles in Medicaid occupancy.

Medicare Days from SFY 06 to SFY 10



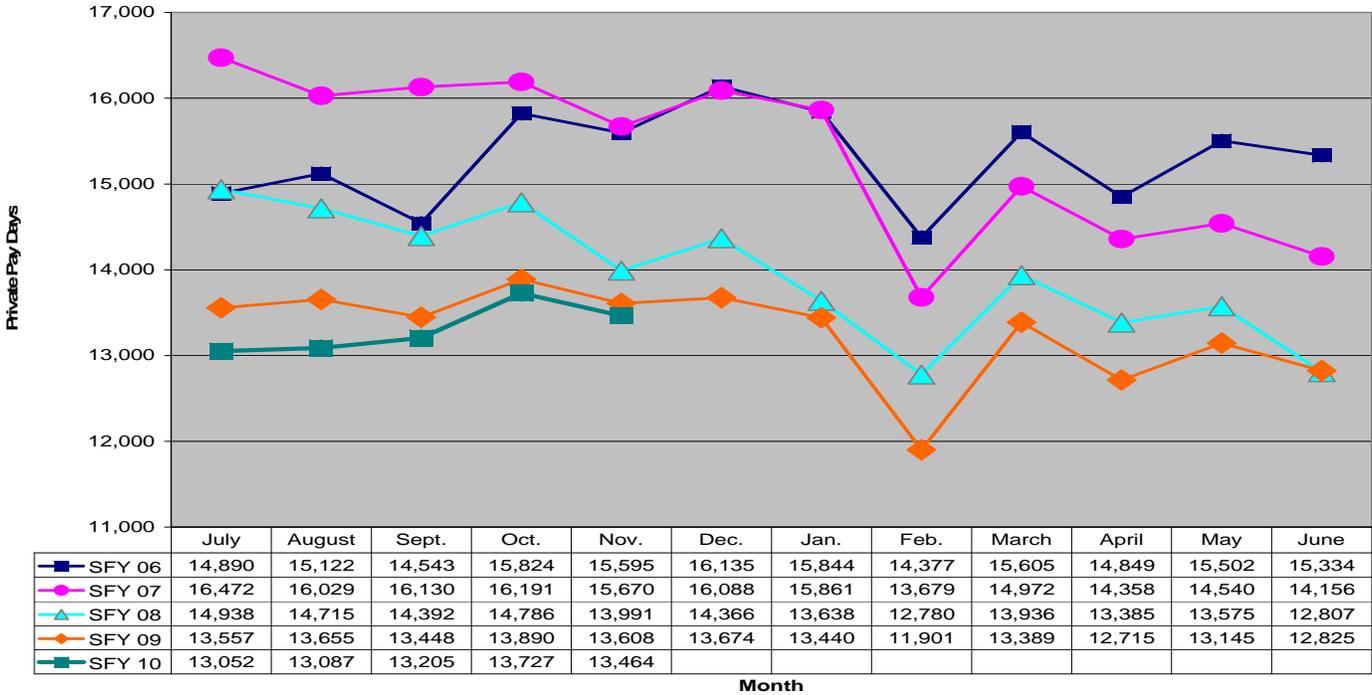
Medicare Occupancy as a Percentage of Available Bed Days In Facilities Participating in the Vermont Medicaid Program
Beds in These Facilities Decreased by 167 Beds in This Time Period



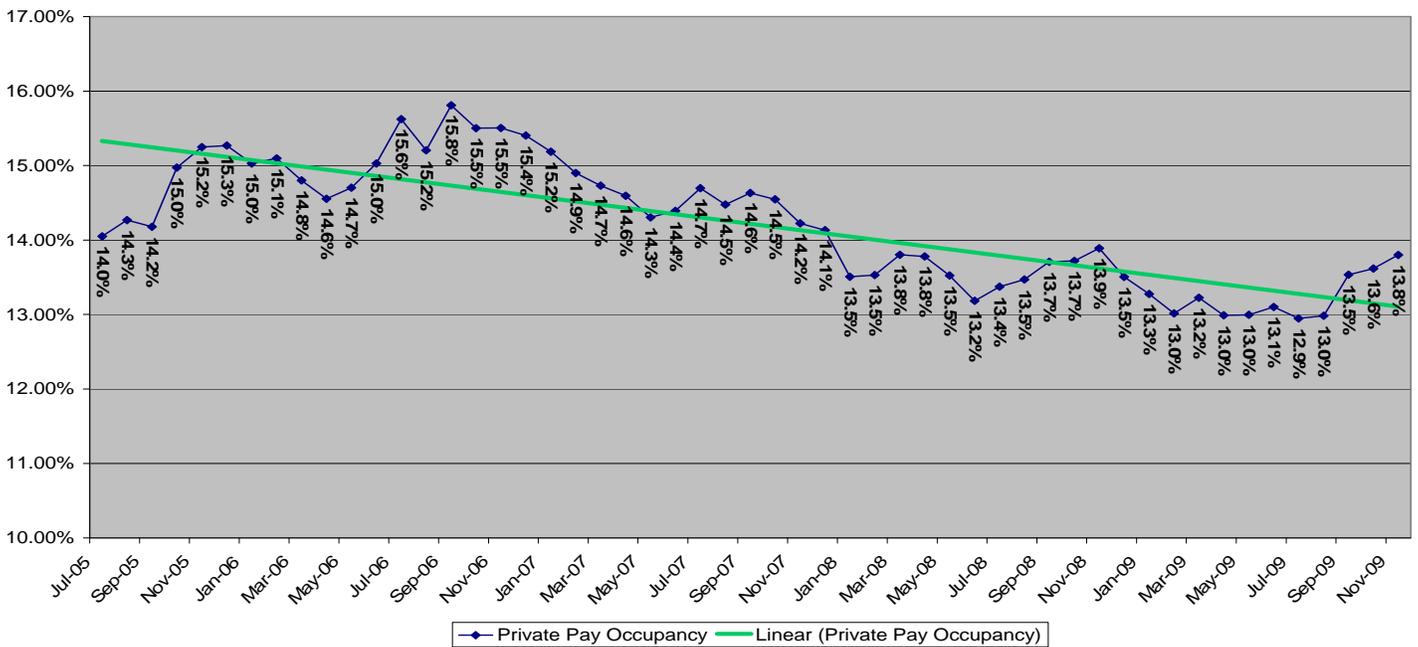
Data source: DRS, monthly provider reports

These graphs show a gradual increase in the use of nursing home beds by Medicare residents. This increase is masked by annual cycles in Medicare occupancy.

Private Pay Days from SFY 06 to SFY 10



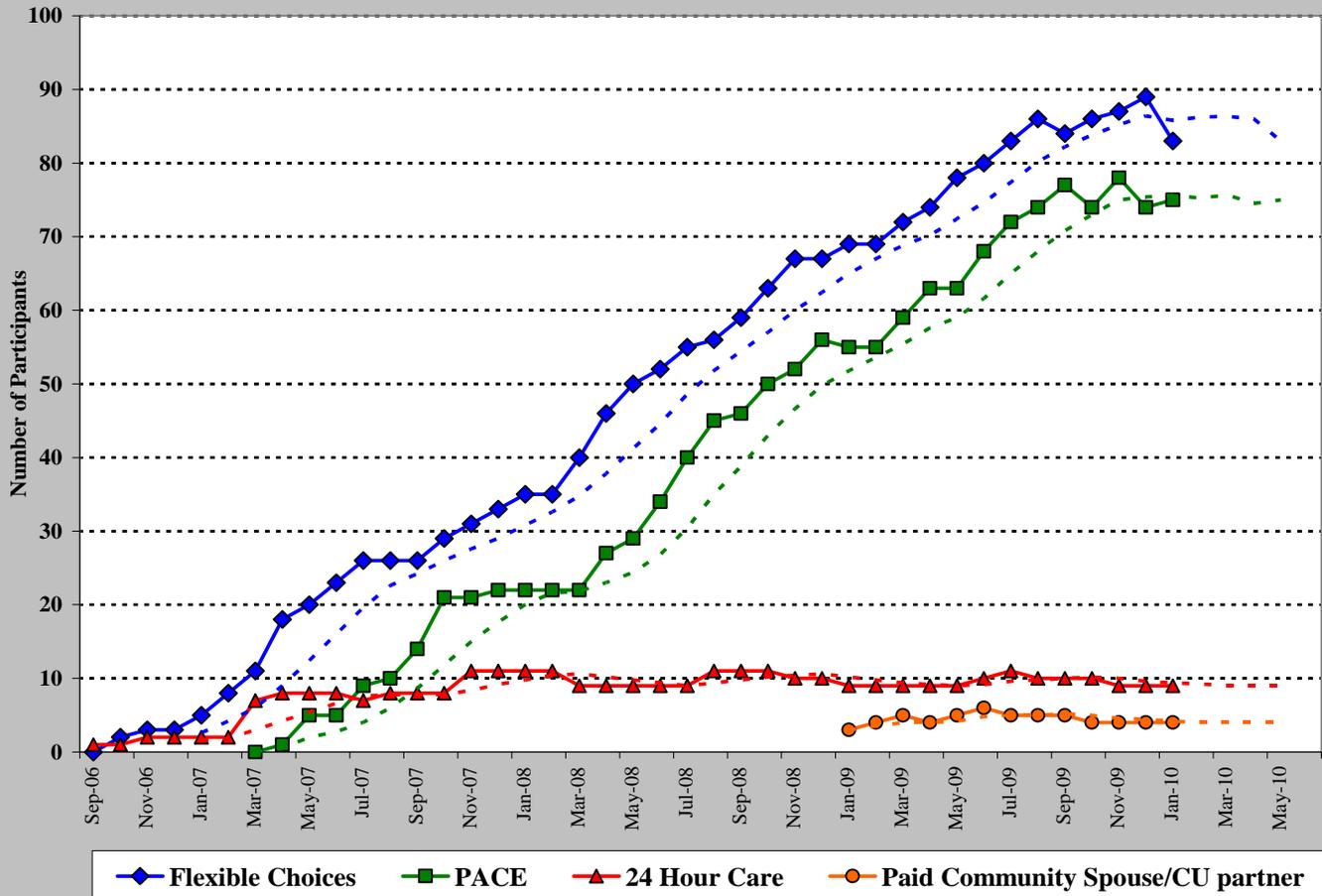
Private Payer Occupancy as a Percentage of Available Bed Days in Facilities Participating in the Vermont Medicaid Program
Available Beds Have Declined by 167 Beds During This Period



Data source: DRS, monthly provider reports

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

Choices for Care: Expansion of New Service Options, sfy2007-sfy2010
Flexible Choices, PACE, and HCBS 24-Hour Care Active Enrollments and Paid Spouses

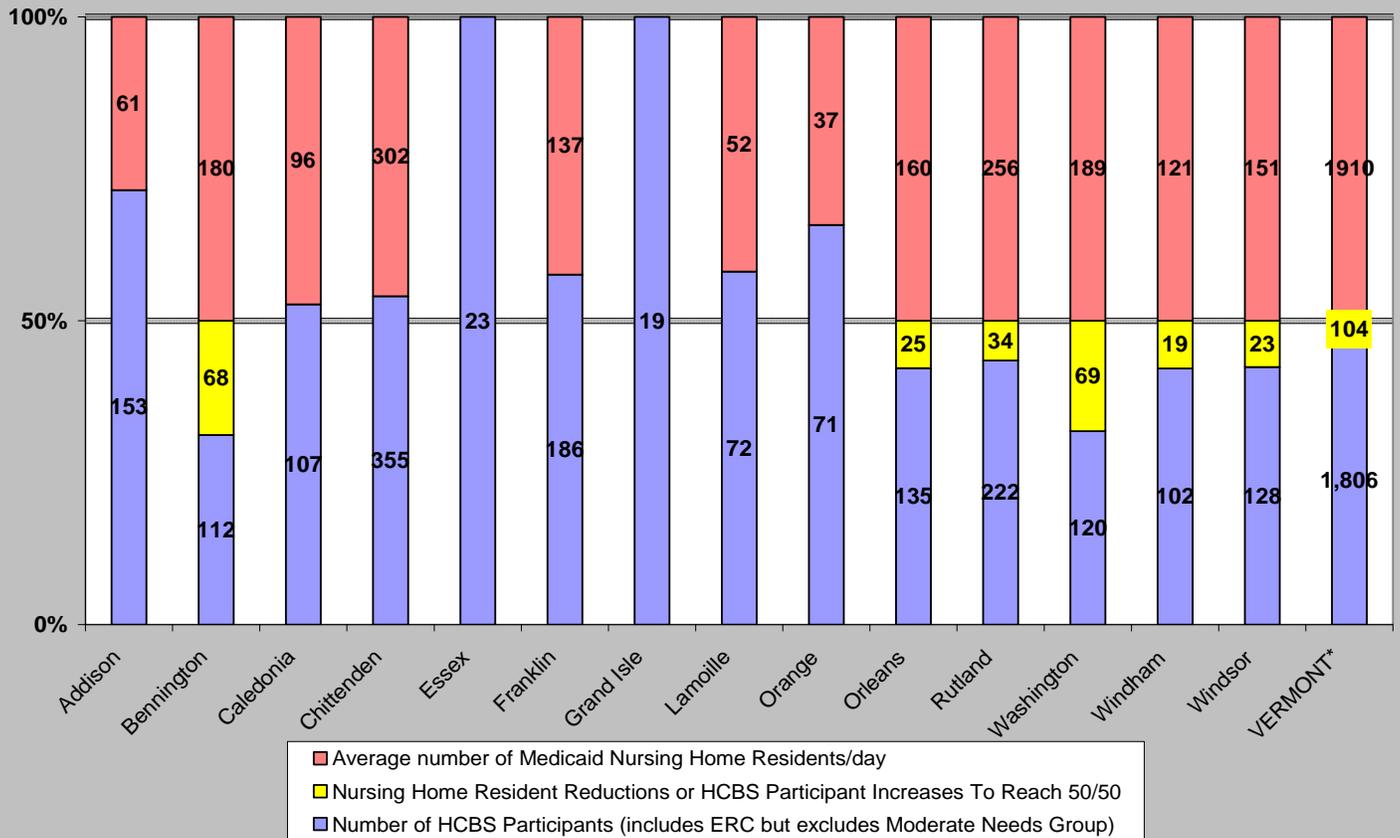


Data source: DAIL/DDAS SAMS database

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

While Medicaid laws and regulations prohibit caregiving payments to spouses except under extraordinary circumstances, this prohibition can be ‘waived’ through an 1115 Waiver. 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) appear to continue to limit the number of people who choose this option.

Vermont Choices for Care: Nursing Home Residents and Home & Community-Based Participants by County, January 2010
Changes (Yellow) Needed to Achieve At Least 50% HCBS



Data sources: DAIL/DDAS SAMS database

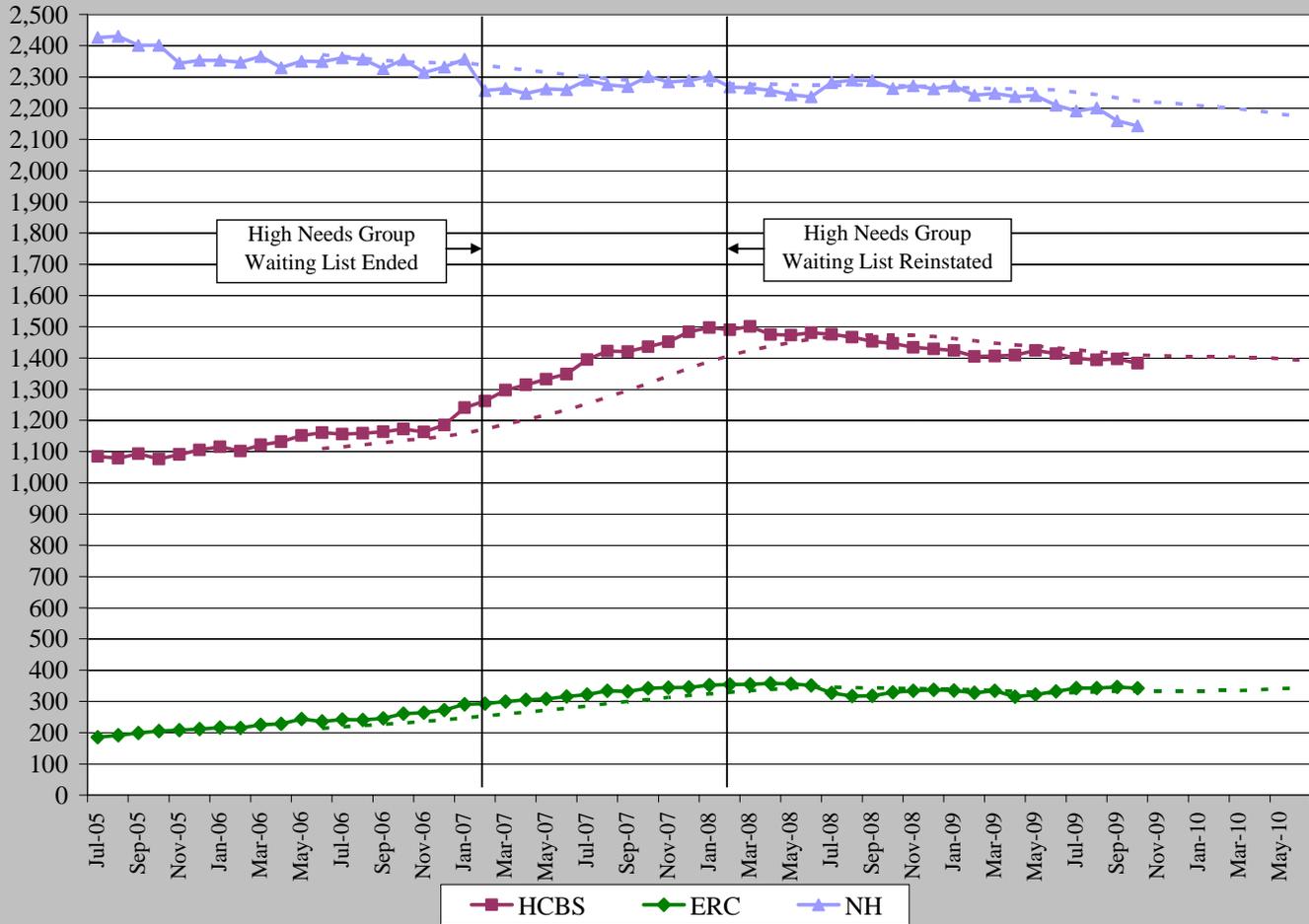
One of the expected outcomes of Choices for Care is that a higher percentage of people who use Medicaid-funded long term care will choose home and community-based settings, while a lower percentage will choose nursing homes. This graph illustrates the relative use of nursing homes and other settings in each county as of January 2010.

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 remain more reliant on nursing homes.

Vermont: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

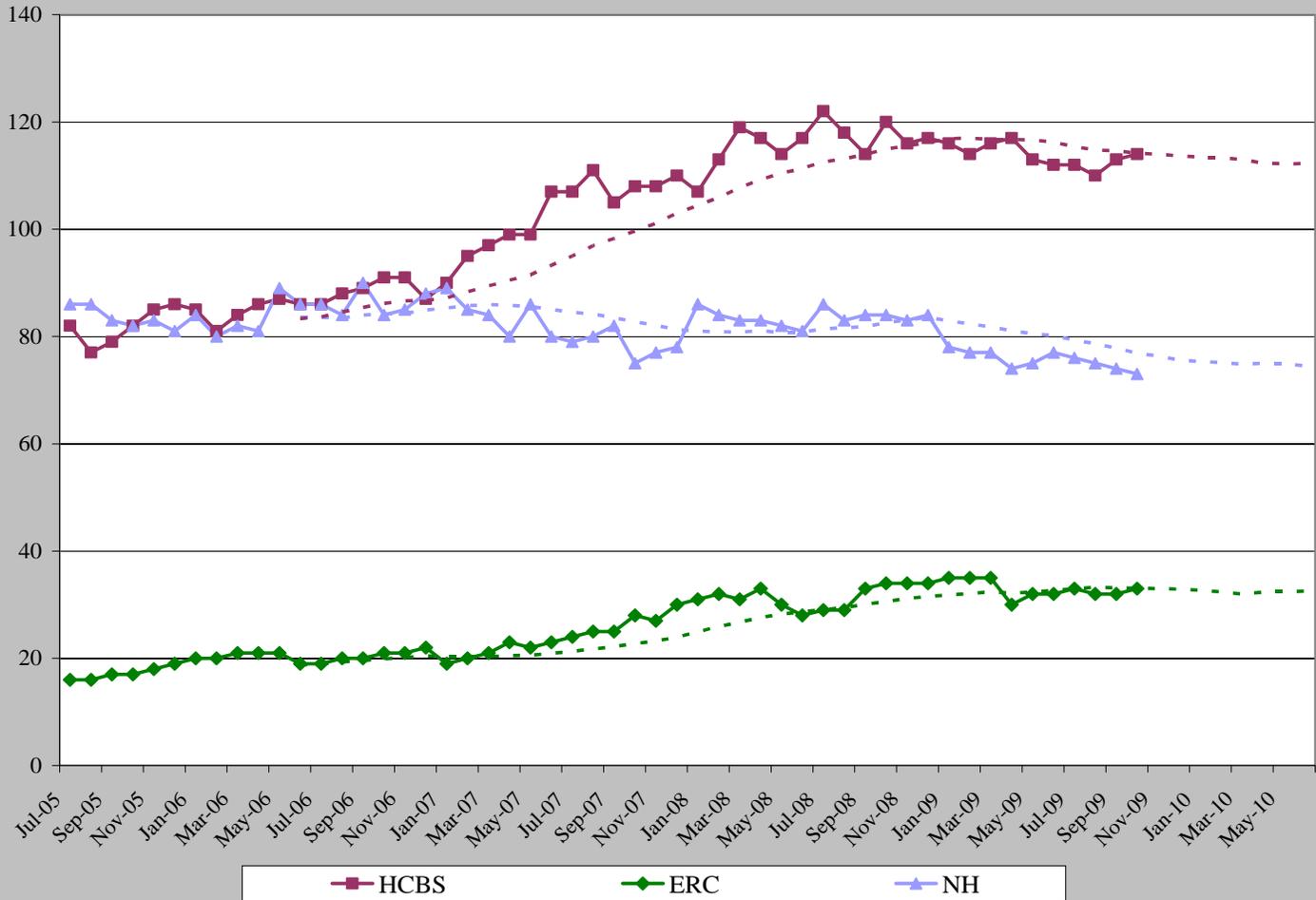


Data source: EDS paid claims

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

Addison County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

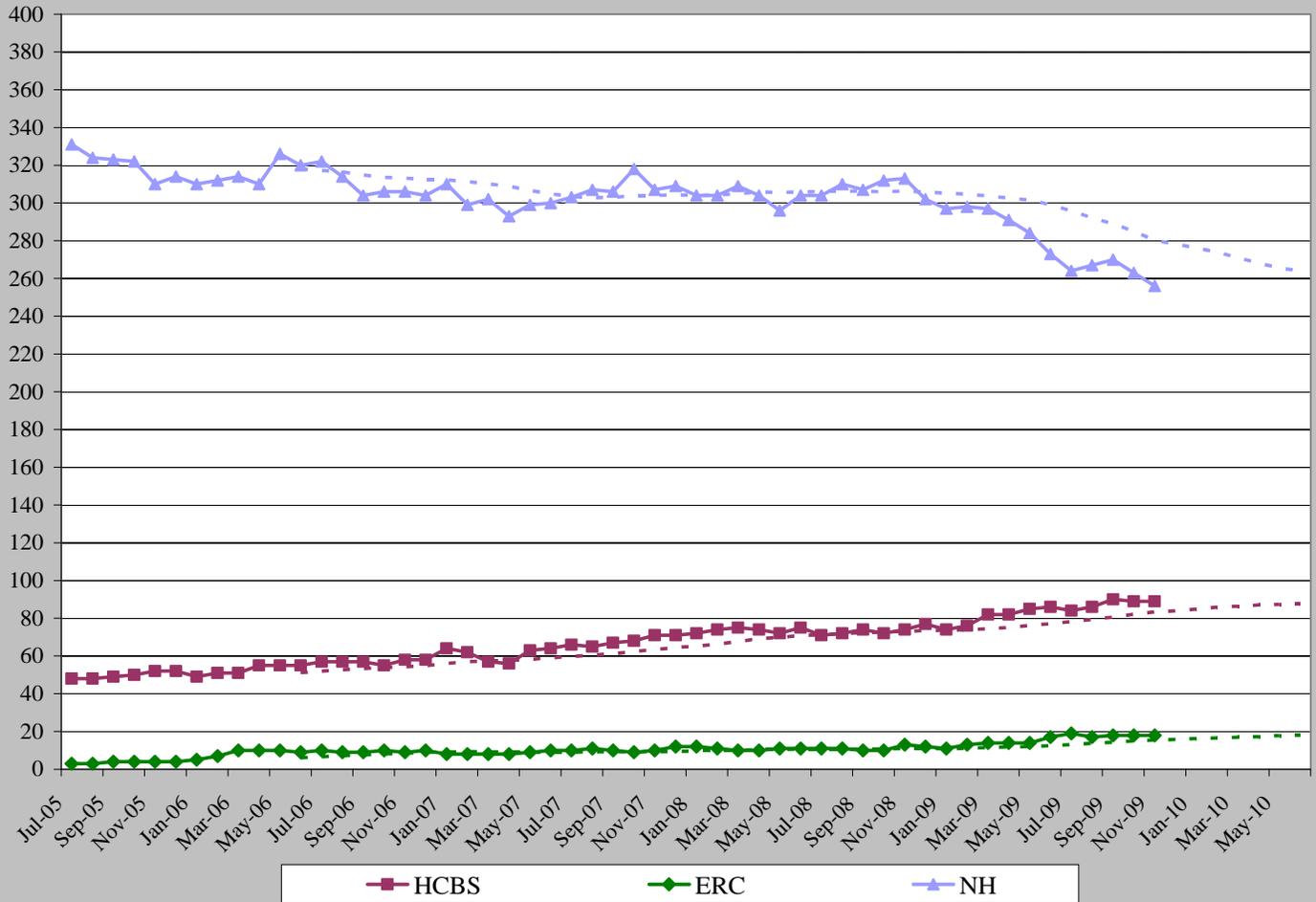


Data source: EDS paid claims

In Addison County, use of HCBS and ERC has increased since July 2005, remaining fairly stable since February 2008. The use of nursing homes has very slowly decreased.

Bennington County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

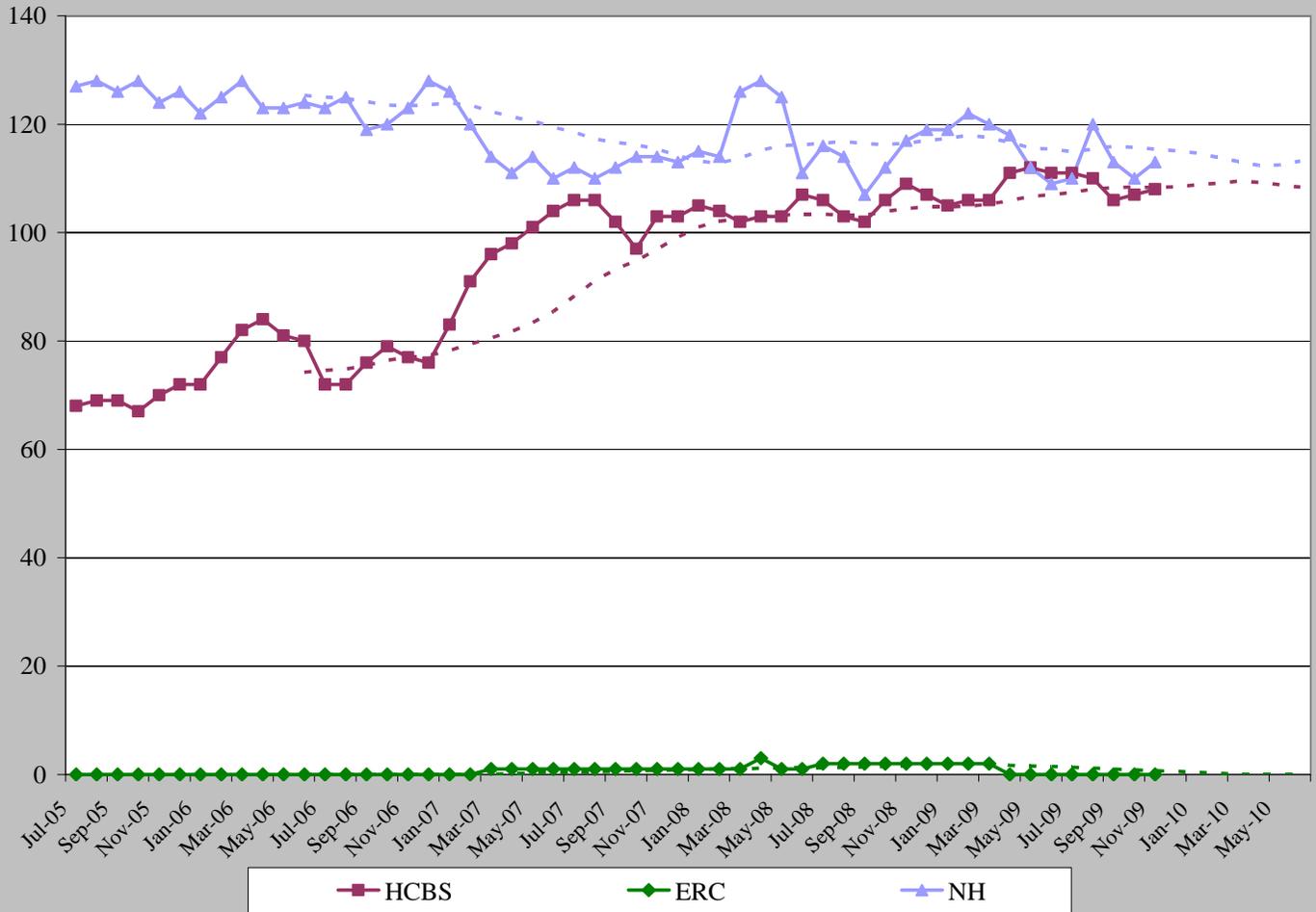


Data source: EDS paid claims

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 - sfy2010

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

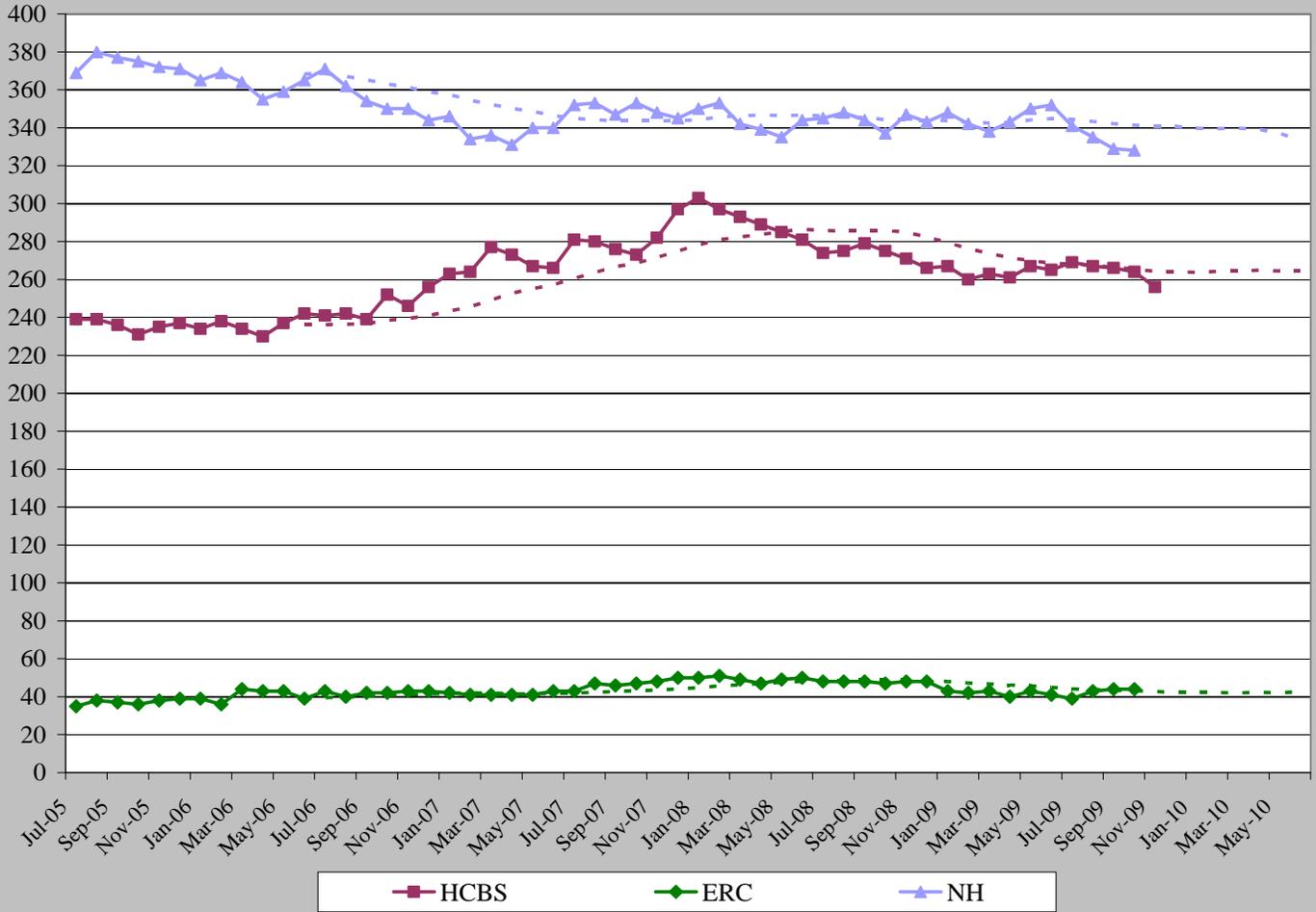


Data source: EDS paid claims

In Caledonia County, use of HCBS has increased significantly since July 2005, while the use of ERC has remained near zero. The use of nursing homes has decreased.

Chittenden County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

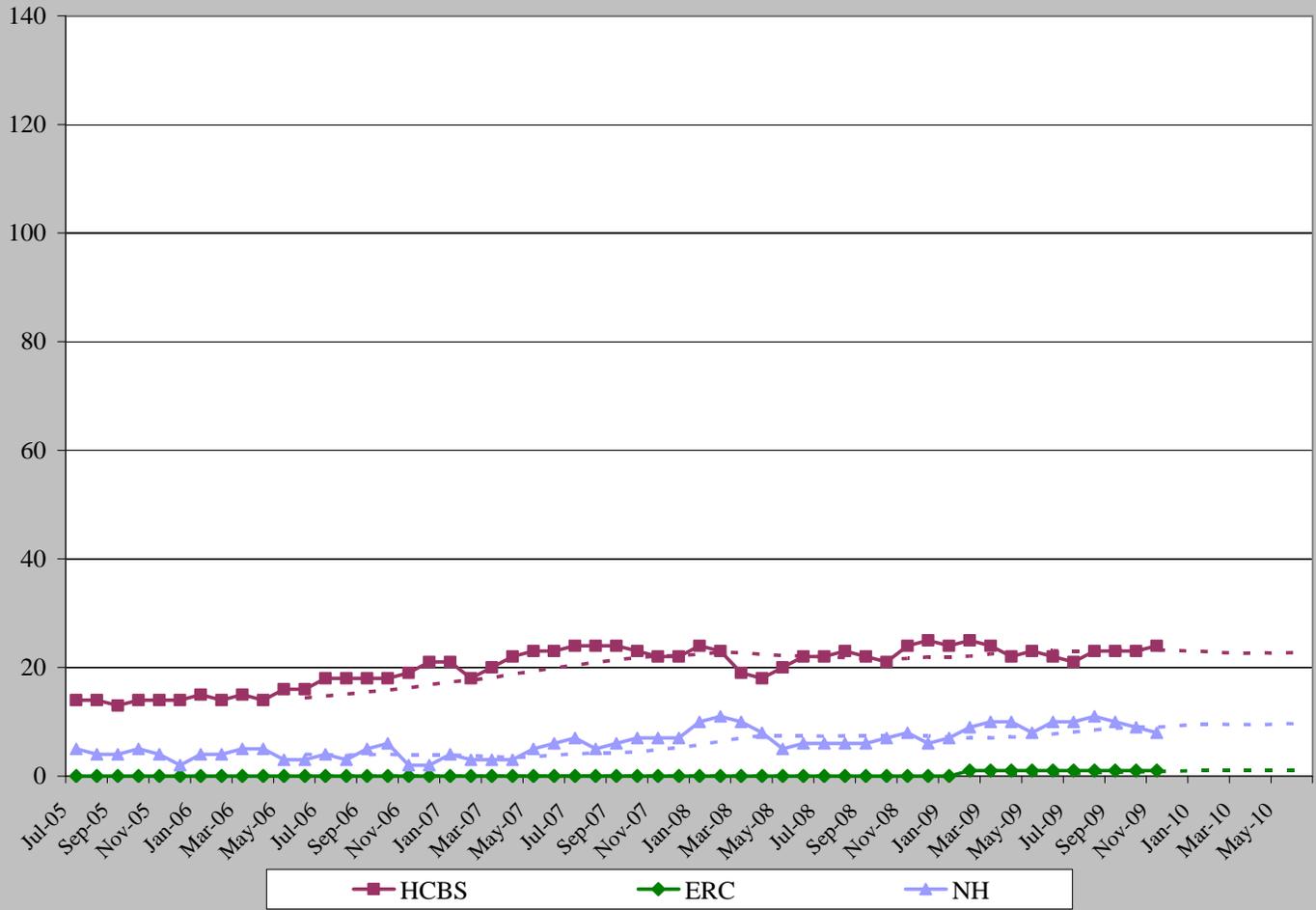


Data source: EDS paid claims

In Chittenden County, use of both HCBS and ERC has increased since July 2005, but has decreased since February 2008. The use of nursing homes has decreased.

Essex County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

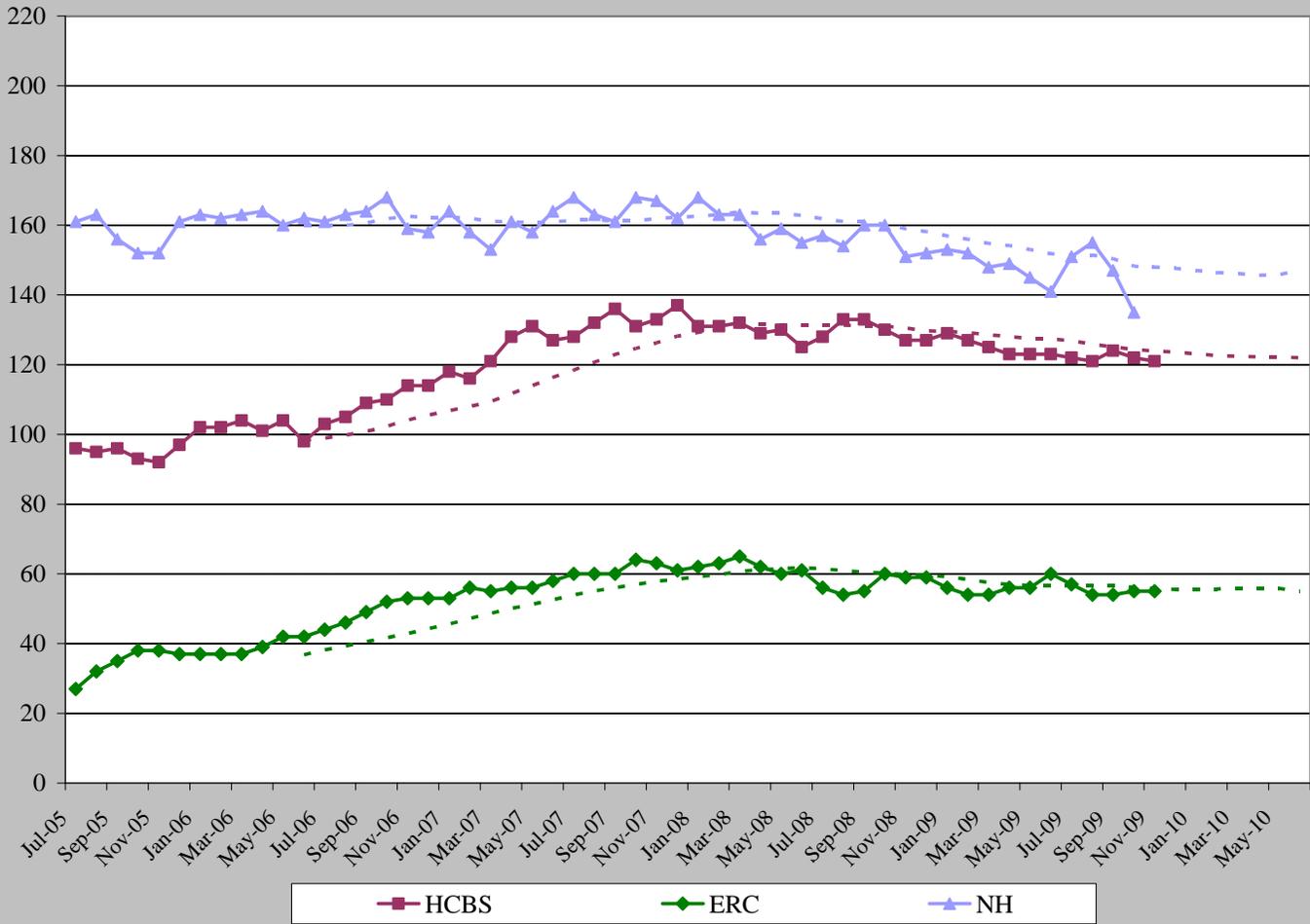


Data source: EDS paid claims

In Essex County, use of HCBS has increased since July 2005, while the use of ERC has remained near zero. The use of nursing homes has also increased.

Franklin County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

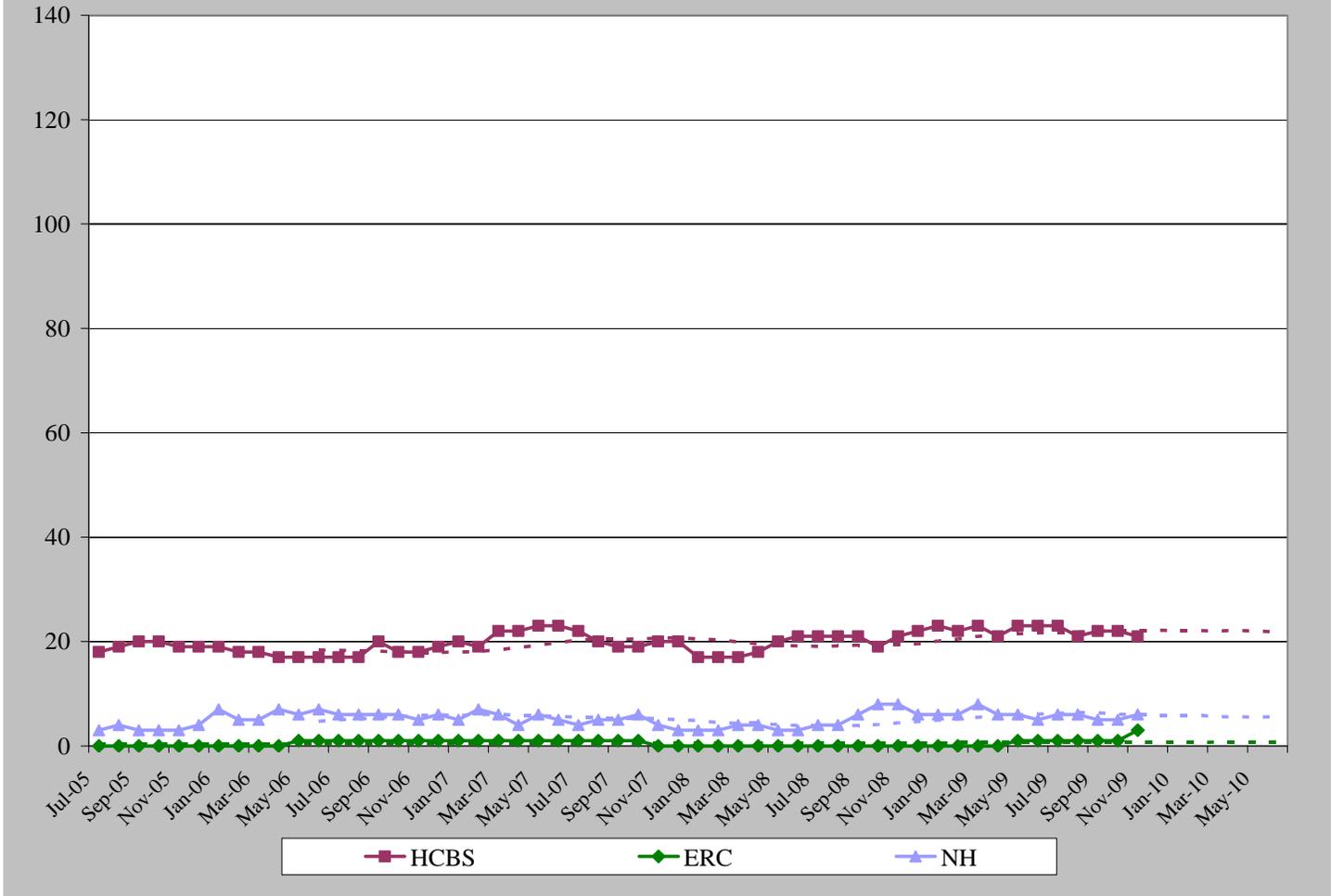


Data source: EDS paid claims

In Franklin County, use of HCBS and ERC increased between 2005 and 2008, while the use of nursing homes remained fairly stable. 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 - sfy2010

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

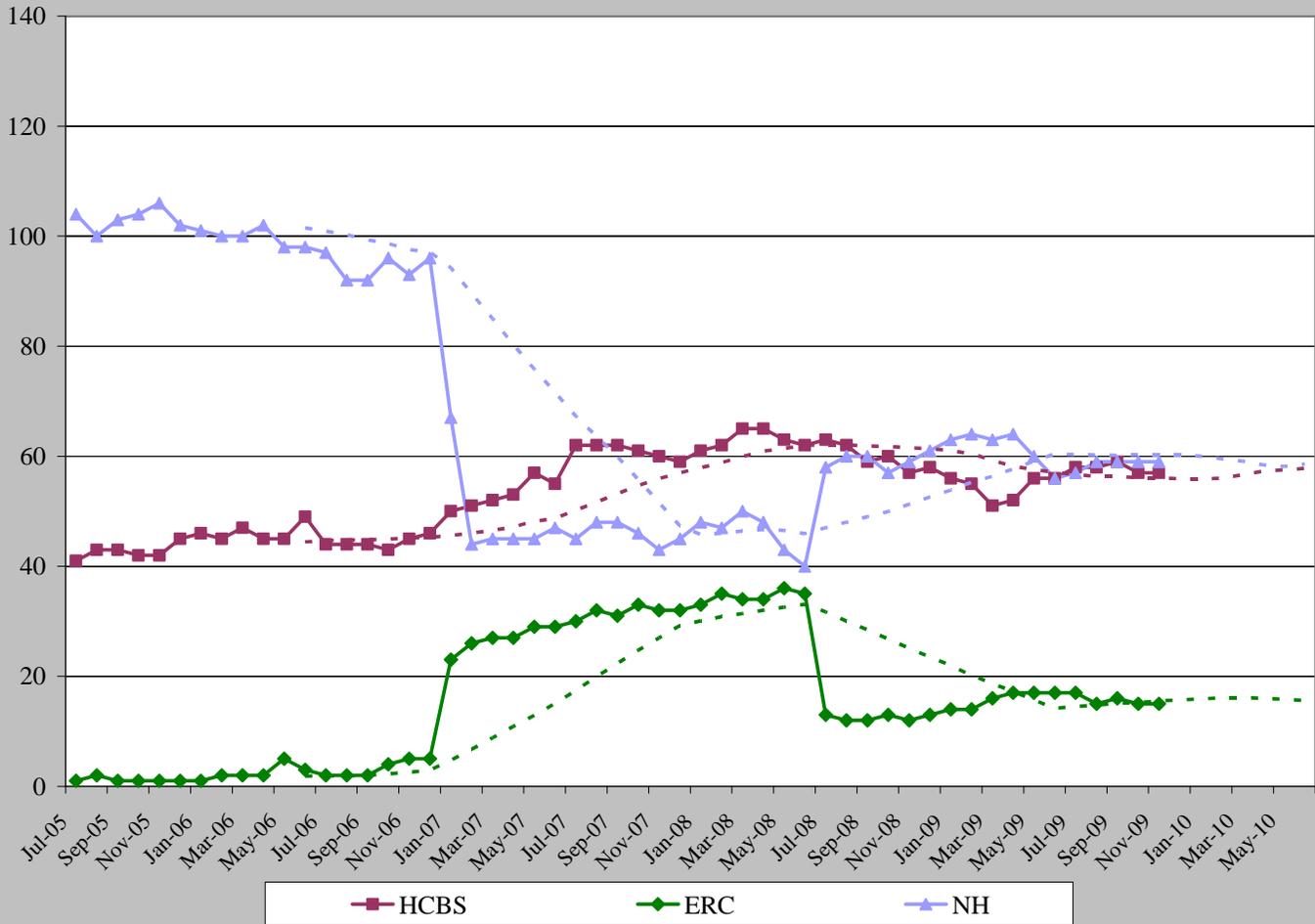


Data source: EDS paid claims

In Grand Isle County, use of HCBS and nursing homes has remained fairly stable since July 2005.

Lamoille County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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



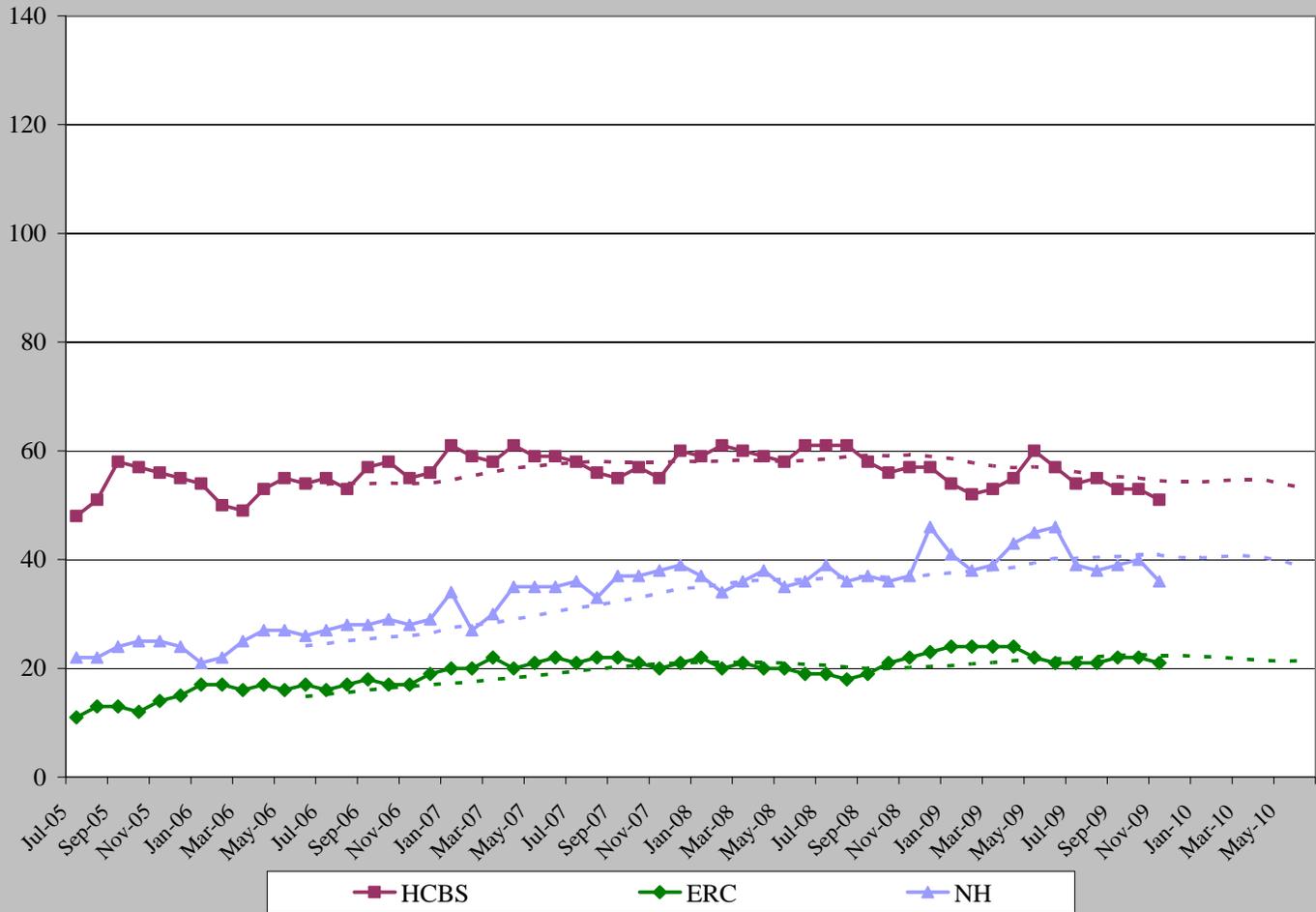
Data source: EDS paid claims

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

The data for service delivery patterns by setting in Lamoille is complicated by changes in licensing at The Manor, with an increase in ERC licensure in January 2007 followed by a change to NF licensure in July 2008.

Orange County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

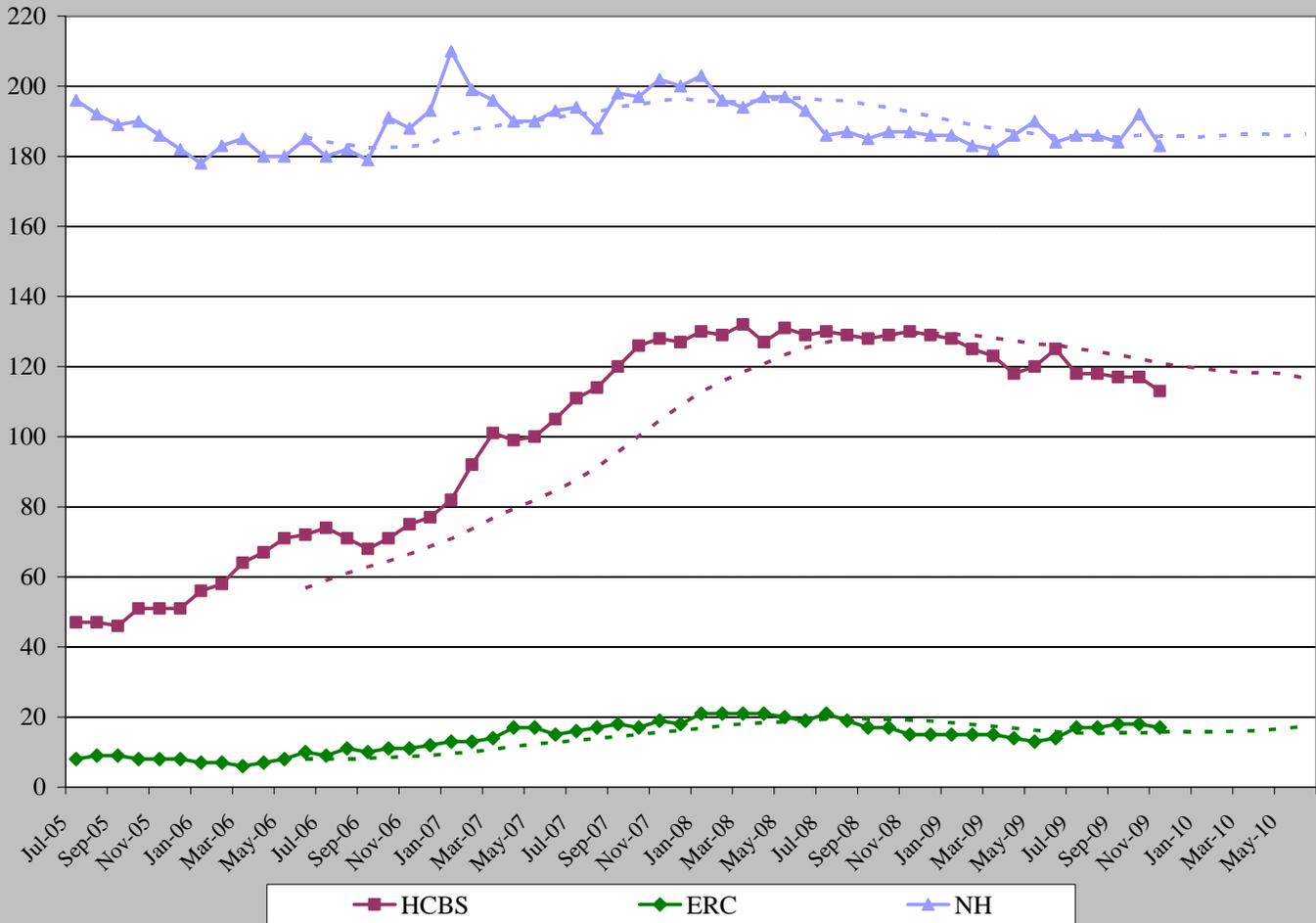


Data source: EDS paid claims

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

Orleans County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

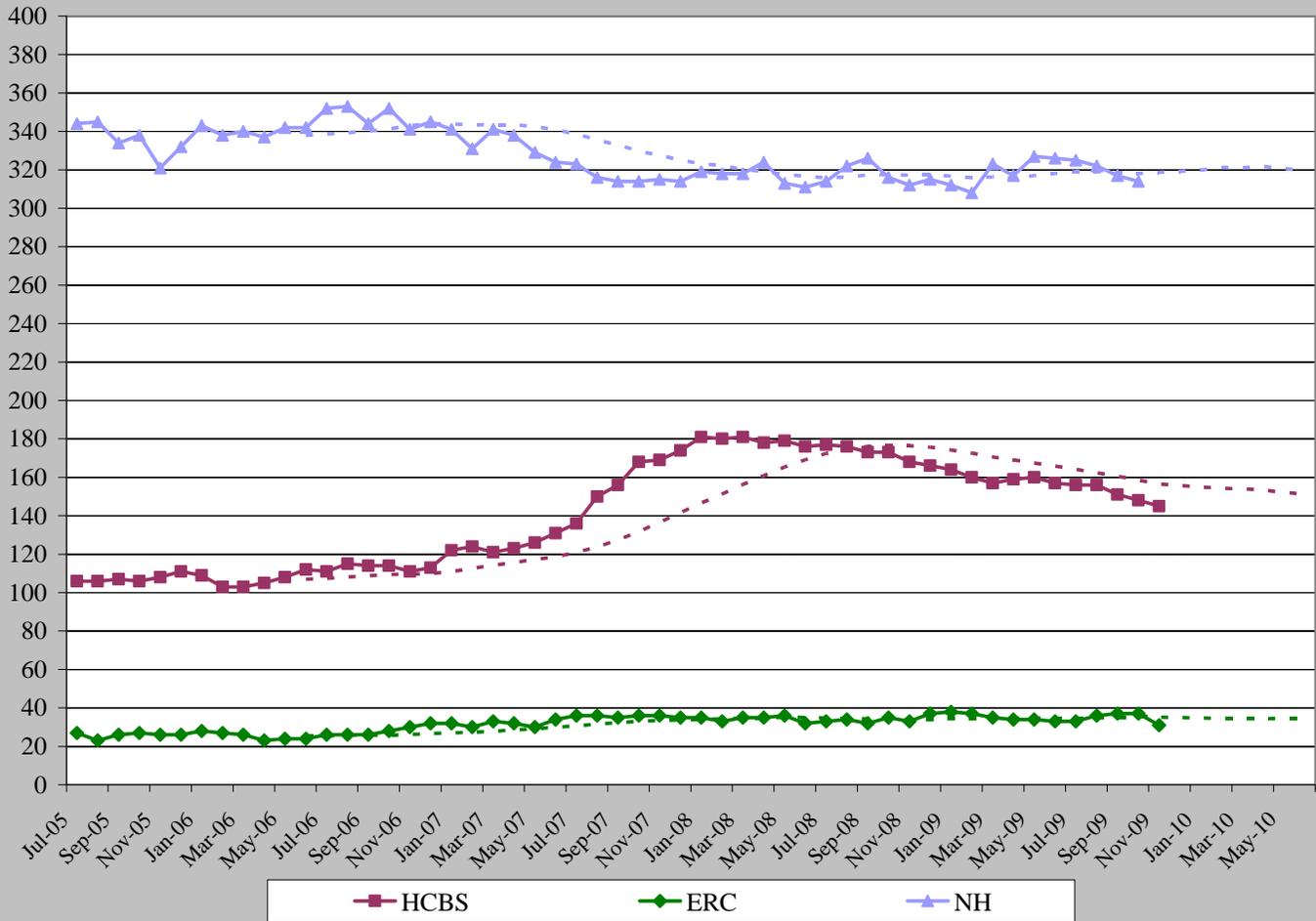


Data source: EDS paid claims

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 - sfy2010

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

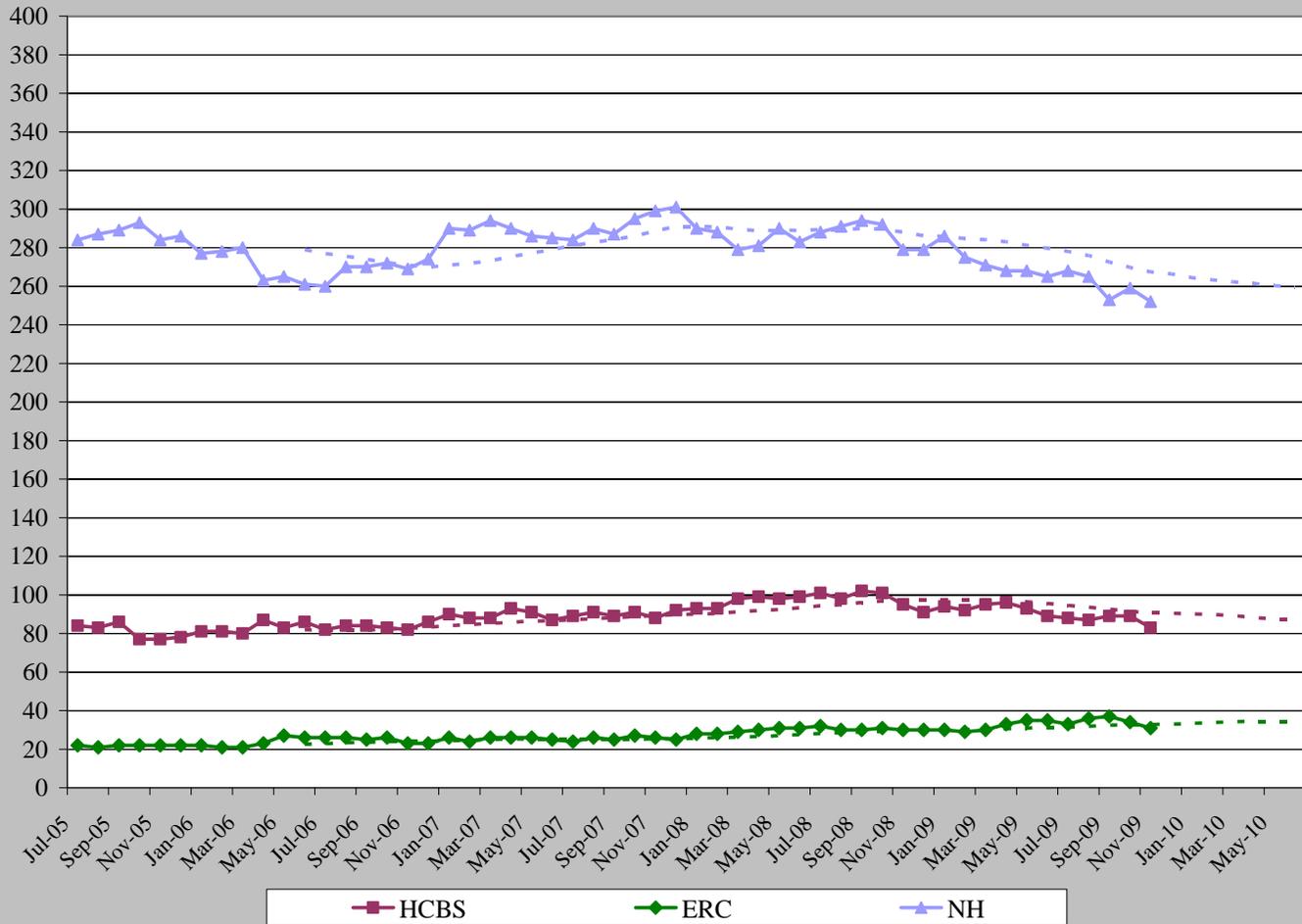


Data source: EDS paid claims

In Rutland County, use of HCBS has increased significantly since July 2005, but has decreased since February 2008. The use of ERC has increased slightly since July 2005, and the use of nursing homes has decreased.

Washington County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

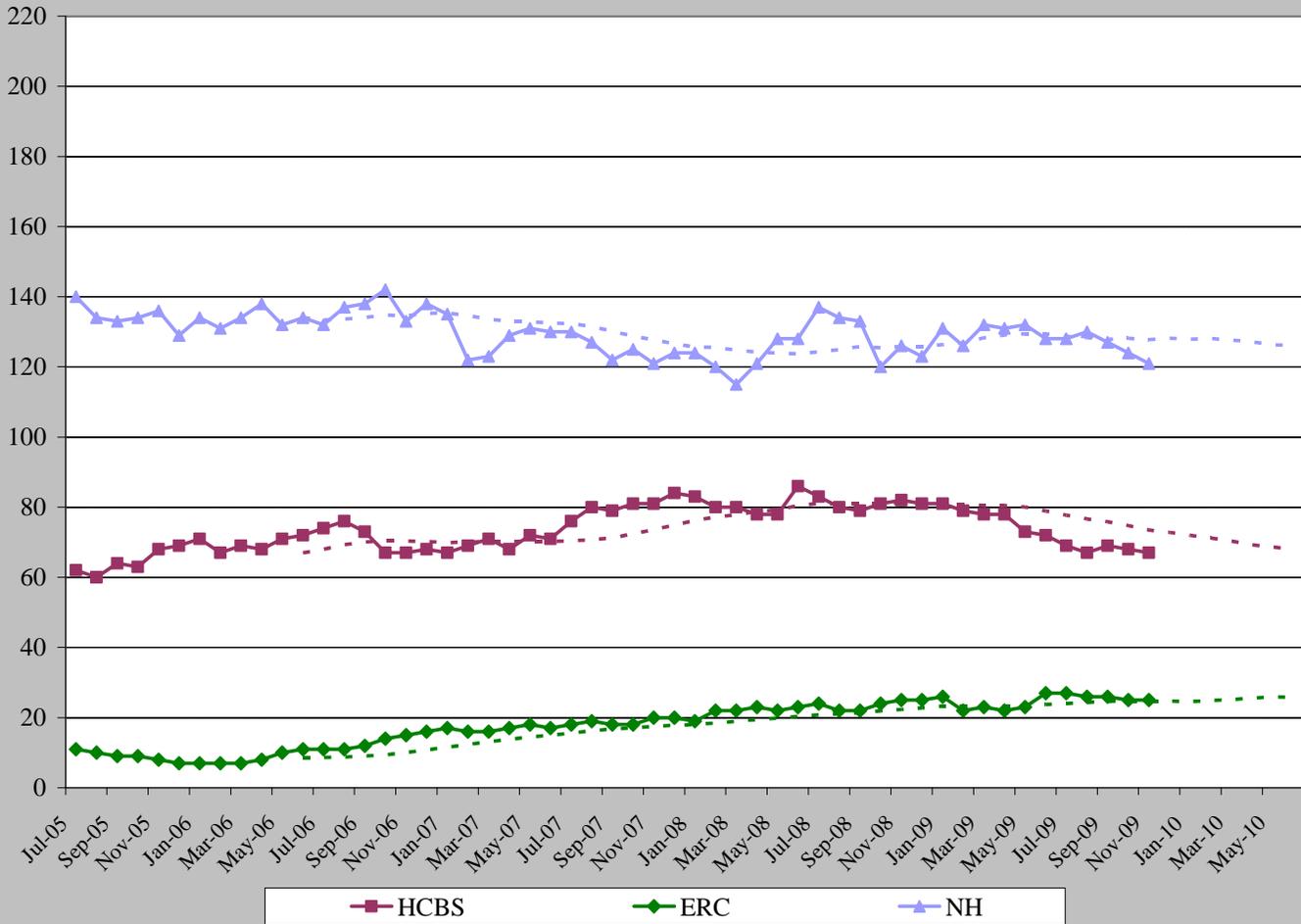


Data source: EDS paid claims

In Washington County, use of HCBS and ERC has 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 - sfy2010

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

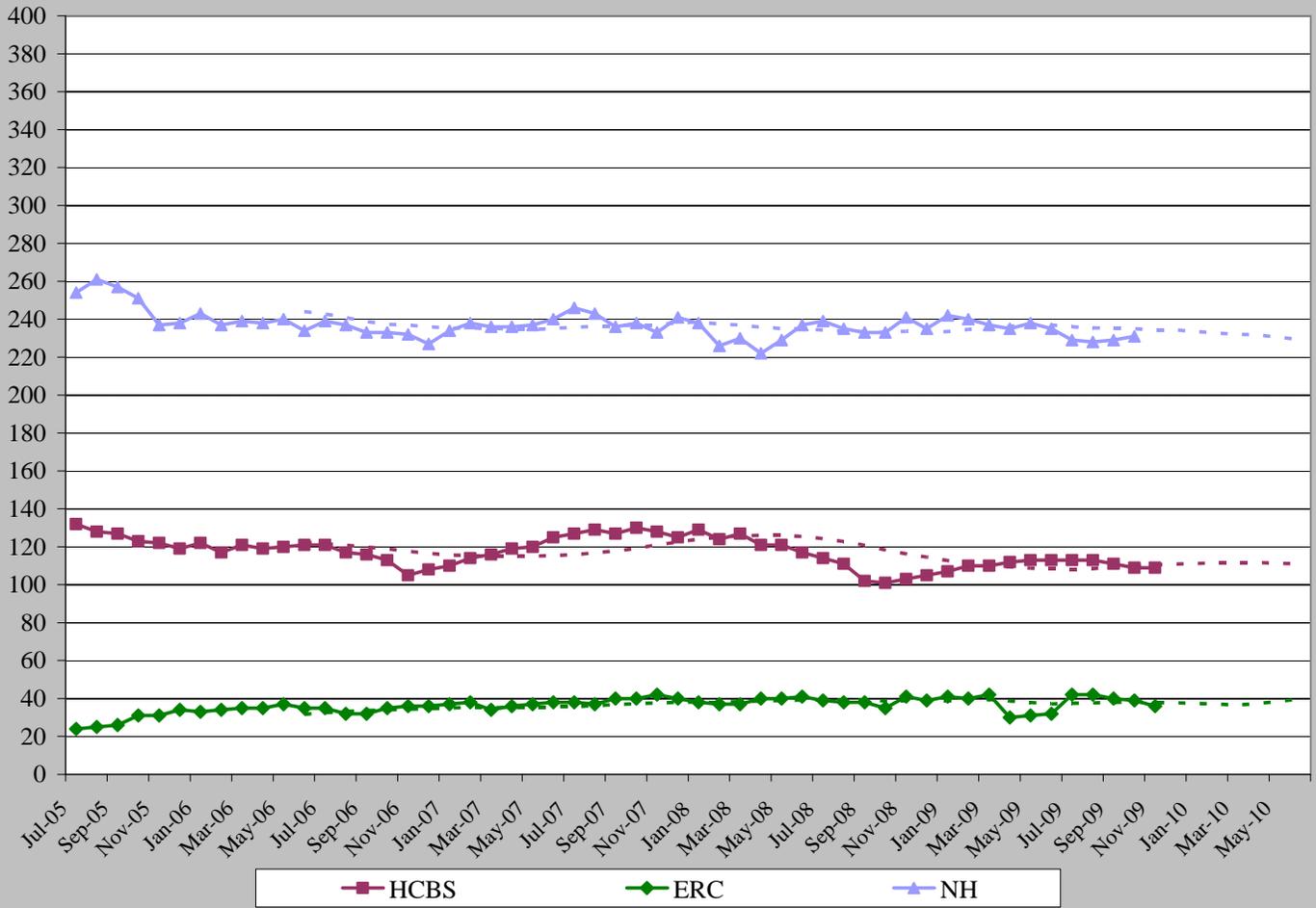


Data source: EDS paid claims

In Windham County, use of both HCBS and ERC has increased since July 2005. The use of HCBS has decreased in recent months. The use of nursing homes has remained fairly stable.

Windsor County: Choices for Care Participants by Setting, sfy2005 - sfy2010

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

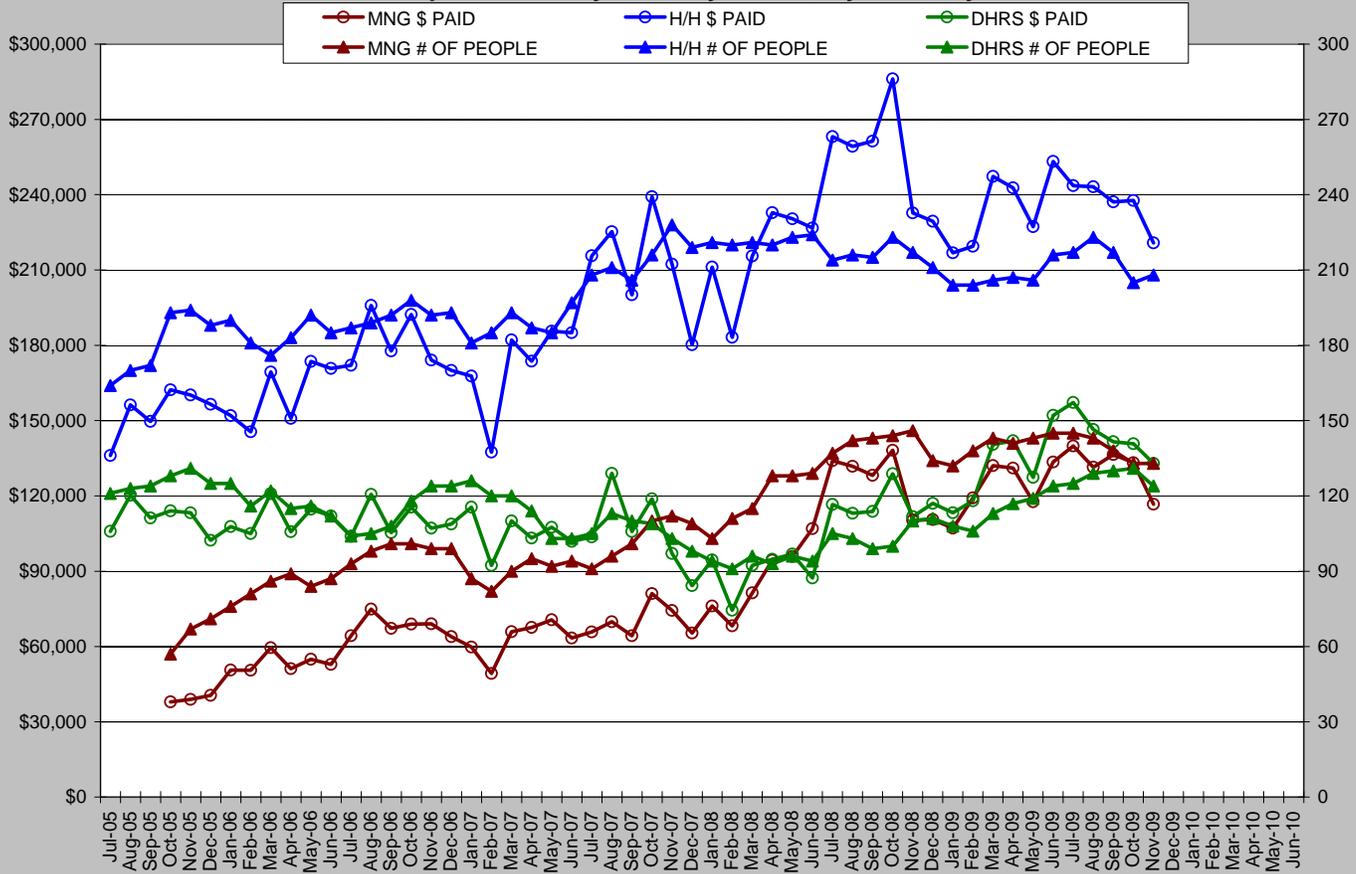


Data source: EDS paid claims

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

**DAIL Medicaid Adult Day Services
(Moderate Needs Group, Highest/High Needs Groups, Day Health Rehabilitation Services)**

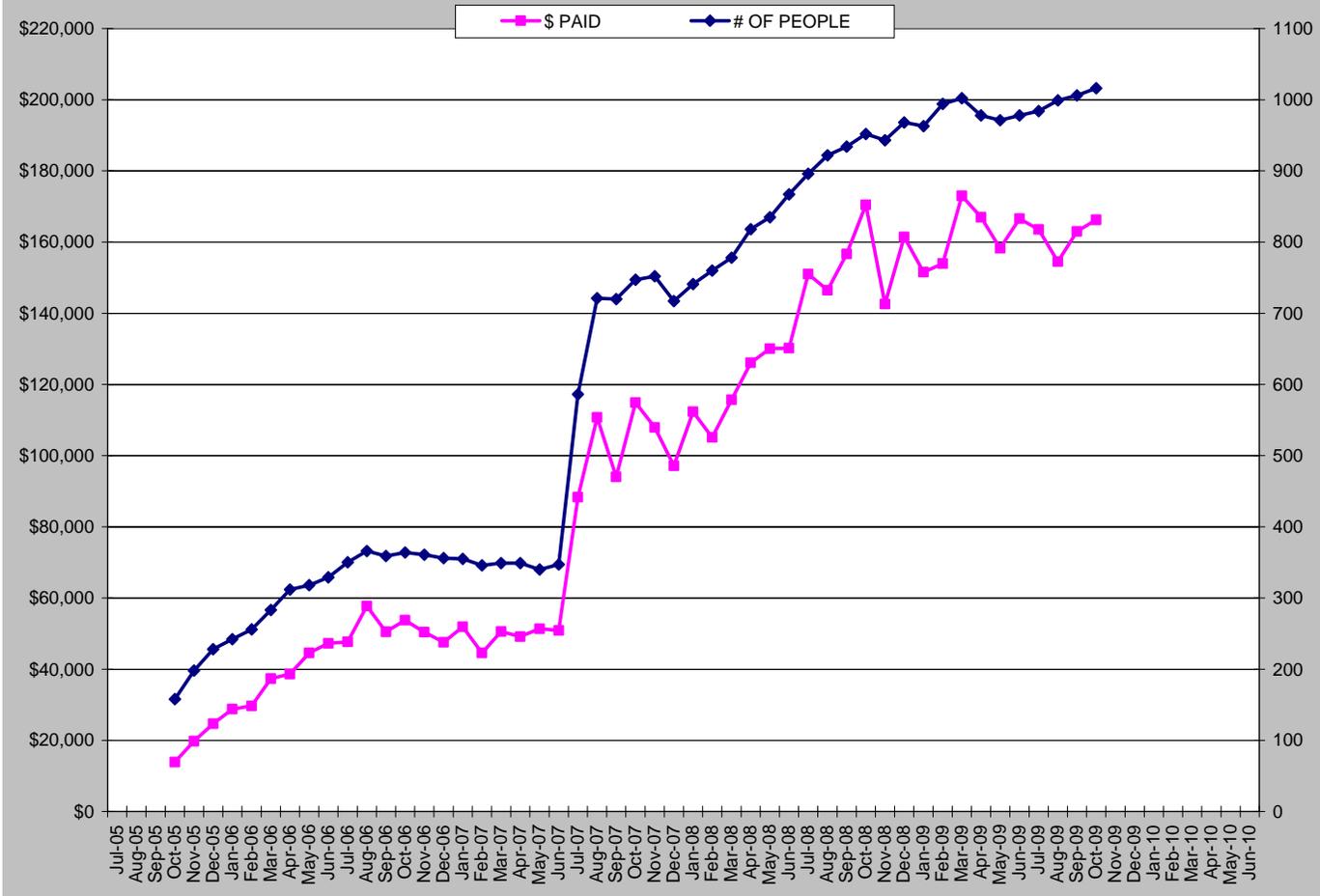
Participants and Payments by Month, sfy2006 - sfy2010



Data source: EDS paid claims

DAIL Medicaid payments for adult day services have increased since 2005, supporting an increasing number of people. The combination of the High Needs Group waiting list (February 2008) and the freeze on Moderate Needs Group enrollment (November 2009) is expected to reduce the number of people served, as well as future payments.

**Choices for Care Homemaker (Moderate Needs Group) Services
Participants and Payments by Month, sfy2006 - sfy2010**

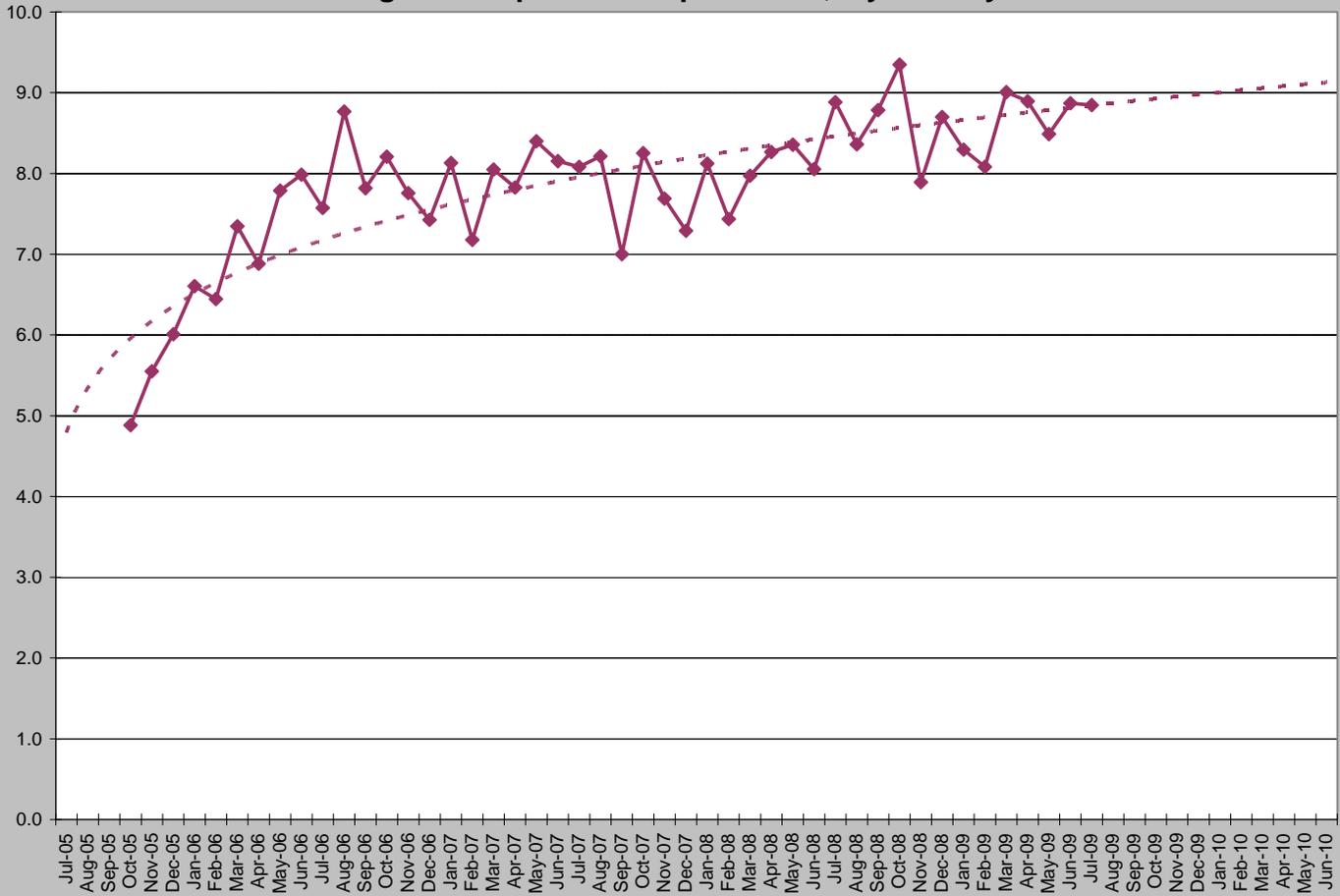


Data source: EDS paid claims

Choices for Care Moderate Needs Group funding for homemaker services has increased since 2005, leading to increases in the number of people served through this funding source.

Prior to Choices for Care, Homemaker services were supported by a combination of General Fund and Social Services Block Grant funds. In SFY2005, the Homemaker program served an average of 629 people each month. In SFY2010 ytd, the Choices for Care Homemaker program has served an average of about 1000 people per month, an increase of 371 people (59%) over SFY2005. The recent (November 2009) freeze on new enrollment in the Moderate Needs Group is expected to reduce the number of people served, as well as future payments.

**Choices for Care Homemaker (Moderate Needs Group) Services
Average Hours per Person per Month, sfy2006-sfy2010**



Data sources: EDS paid claims

People served under the Moderate Needs Group have received more hours of Homemaker services over time. It is possible that the freeze on new enrollment in the Moderate Needs Group will sustain this trend.