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Robert D. Hofmann, Secretary

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Jean K. Close
Division of Integrated Health Systems
Mail Stop S2-14-26
Disabled & Elderly Health Programs Group
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Centers for Medicare & Medicaid Services
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Baltimore, MD 21244-1850

Dear Ms. Close:

The State of Vermont Department of Disabilities, Aging and Independent Living (DAIL) is pleased to submit this request to extend our section 1115 demonstration project entitled "Choices for Care." The initial term of Vermont's Choices for Care waiver will expire on September 30, 2010. With CMS approval, it is DAIL's intent to continue and expand on the successes that it has achieved by extending the waiver for an additional five years to September 30, 2015. This includes renewing existing waivers and Terms and Conditions to the extent that they are still necessary.

The primary objectives of Choices for Care are to increase access to home and community-based services (HCBS) while expanding the range of community options available. In addition, Choices for Care provides HCBS early on to elders and adults with physical disabilities who are at potential risk of future nursing facility placement. Vermont is committed to ensuring that more Vermonters have access to quality, comprehensive long-term care consistent with individuals' expressed preferences and needs.

Since initial approval of the Choices for Care Demonstration, Vermont has made significant progress in achieving the waiver's objectives. Choices for Care has led to a "rebalancing" of the settings where individuals receive services and where Vermont spends its resources for long-term services. Although nursing facilities continue to be the most frequent setting for participants, Vermont has significantly increased the number of Vermonters receiving community-based services since implementing Choices for Care, while reducing the number of individuals receiving services in nursing homes.

Choices for Care has expanded Vermont's range of services by providing alternative community-based options for participants, including Flexible Choices, a surrogate/consumer-directed care program; expansion of PACE sites; and spousal reimbursement. Vermont also is in the process of developing additional innovative options to best meet the needs of individuals seeking long-term care within a community-setting including adult foster care (i.e., community-based "24-hour" intermittent care).

All these services enrich the range of options available to participants that wish to be care for within a community setting. Participants have reported having positive experiences with the types, scope, and amount of Choices for Care services. Providing more choice options has resulted in high levels of overall satisfaction and quality of life survey responses for participants receiving care in a community setting. Over 90 percent of participants in community settings consistently rated their experiences with care as "excellent" or "good." Satisfaction rates have increased over the course of this Demonstration.

Medicaid's cost of serving Choices for Care participants is equal to or less than would have been spent under the previous Medicaid and HCBS waiver services system. The project has stayed below its CMS projected annual cap for expenditures, while shifting spending more towards community-based spending. This has enabled Choices for Care to serve more individuals within the available funds than would have been possible without the waiver and has kept spending within annual state appropriations for the project.

Enclosed to support this request for extension are the following: a summary of the Demonstration and its objectives; an explanation of the process used by DAIL to solicit public input regarding the requested renewal; a detailed description of how Vermont has complied with the Special Terms and Conditions (STCs) and our proposed changes to the STCs; renewal of Waiver and Expenditure authorities; a description of project quality oversight and evaluation; and a discussion of budget neutrality compliance and projections. Responses to the questions raised by CMS about general funding are also reflected in this submission.

The State of Vermont appreciates the continuing cooperation and assistance provided by CMS to DAIL through our Choices for Care Demonstration. We also welcome the opportunity to discuss and collaborate with CMS to ensure compliance with the Patient Protection and Affordable Care Act (PPACA).

We look forward to your questions and comments on this proposed renewal.

Sincerely,



Robert D. Hofmann
Secretary

RDH/dtn