



Choices for Care

Quarterly Data Report

October 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 HP, and provider reports.

We welcome your comments, questions and suggestions.

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Note:

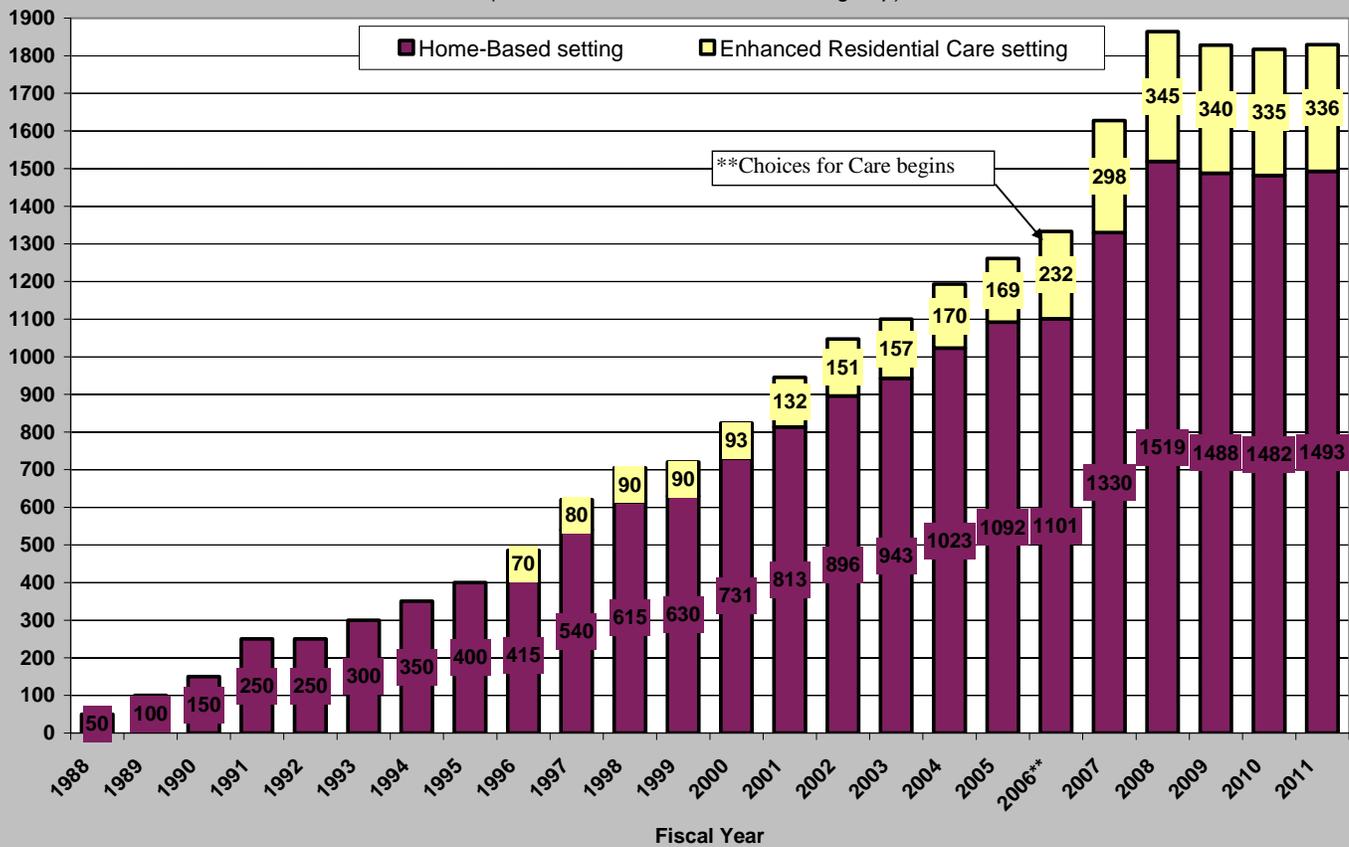
Vermont tracks a variety of process and reviews outcomes in a variety of areas in order to manage the Choices for Care Waiver. These include, but are not limited to:

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-sfy2011

(does not include moderate needs group)



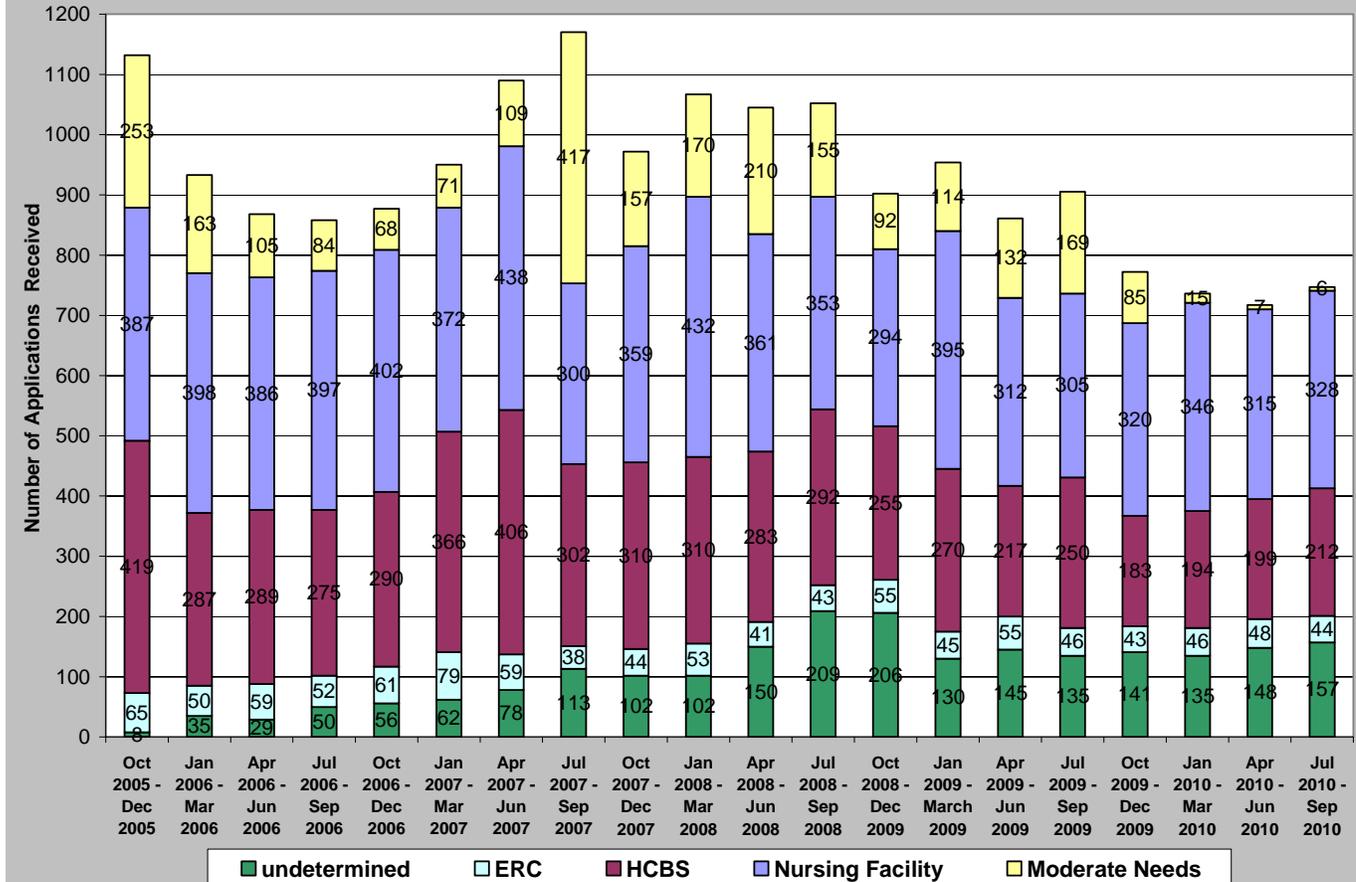
Data source: DAIL/DDAS databases

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. 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%. After sfy2008, High Needs Group applicant/waiting lists have been imposed to reduce expenditures. This waiting list has eliminated further growth and has led to small decreases in enrollment.

Choices for Care: Applications Received by Service Program SFY2006 - SFY 2011



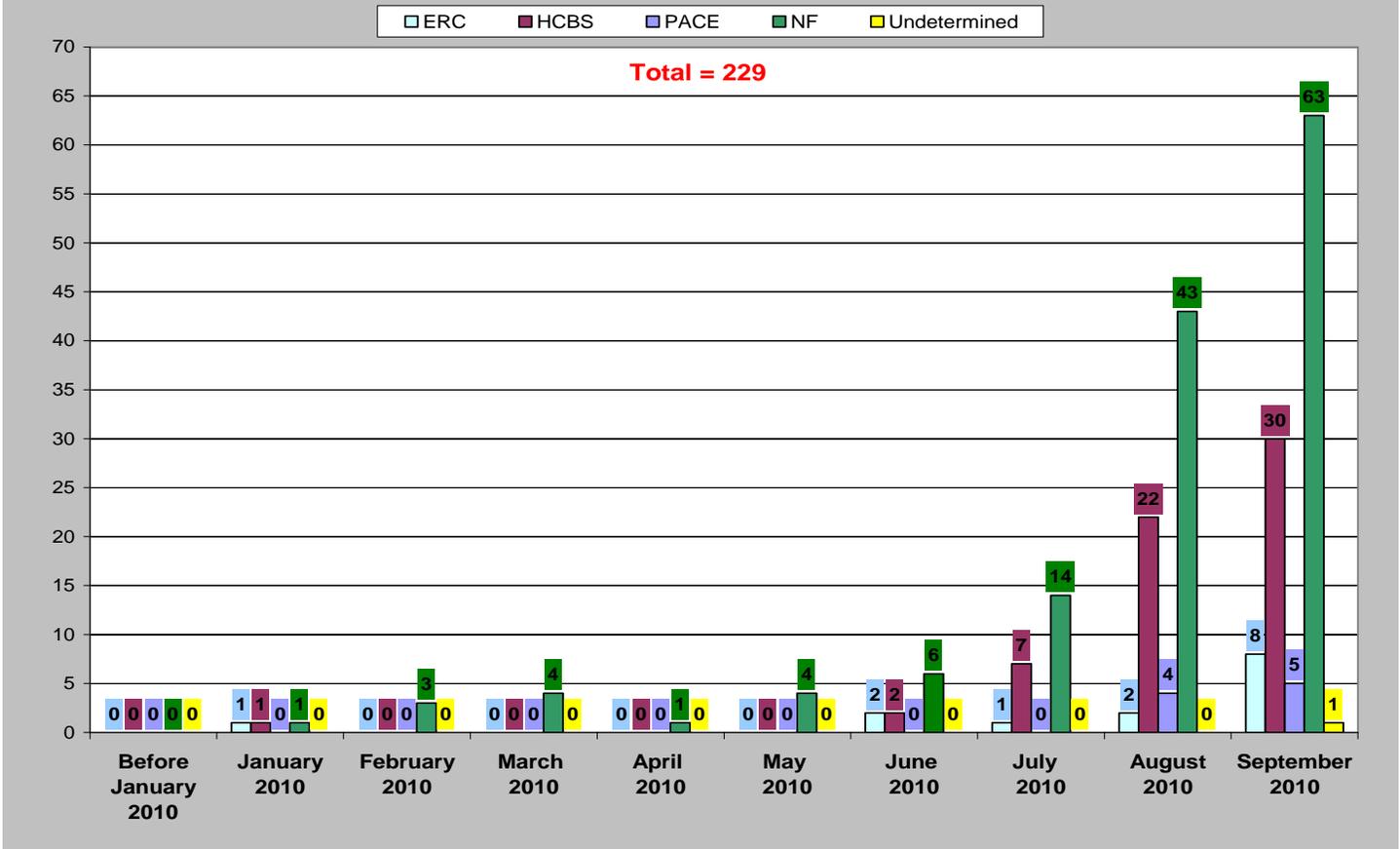
Data source: DAIL/DDAS SAMS database.

This shows the number of Choices for Care applications received by DAIL over time.

The number of applications received for the Moderate Needs Group has decreased substantially since the enrollment freeze was imposed.

The numbers of applications received for the nursing home setting and the enhanced residential care setting have remained stable over the past two years. The number of applications received for HCBS decreased in 2009. This decrease appears to be related to the applicant/waiting lists imposed for the High Needs Group.

**Choices for Care: Applications 'Pending Medicaid' by Status Date
as of October 2010**



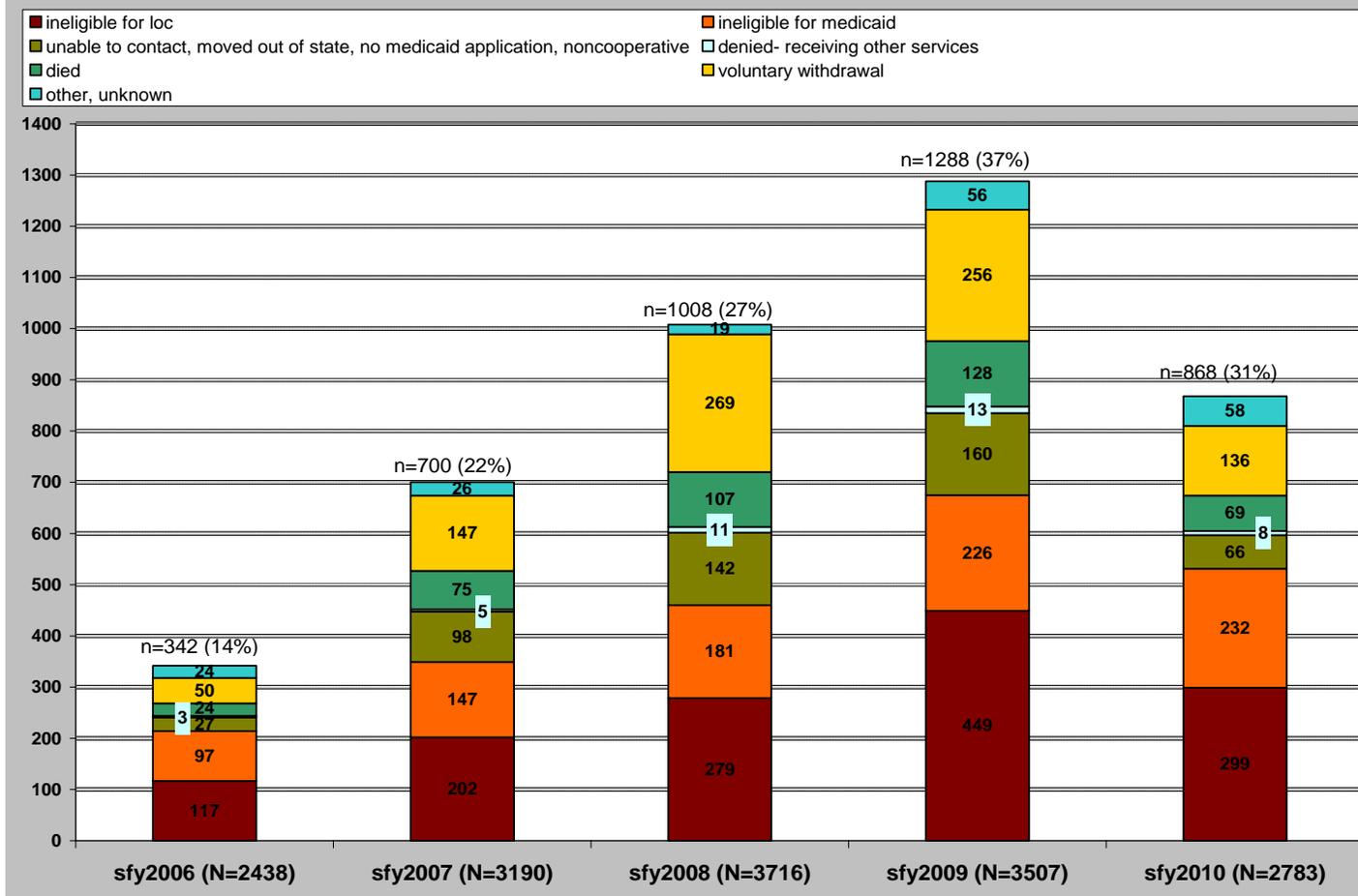
Data source: DAIL/DDAS SAMS database.

One of the goals of Choices for Care is to help Vermonters access long term care services when they need them. One indicator of success in achieving this goal 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 the past year, this had decreased to about 200, suggesting reduced delays in Medicaid eligibility determinations. Note that when a long term care Medicaid application is delayed or incomplete, eligibility determination is substantially delayed.

Based on receiving an average of about 300 applications per month, it appears that Medicaid eligibility decisions are made within one month for about 65% of applications, within two months for about 75% of applications, and within three months for about 95% of applications. These percentages are higher than the initial years of Choices for Care, suggesting that Medicaid eligibility determinations are now completed more quickly. However, if we are to ensure timely access to services for more people, we should continue to seek to reduce the time required to process applications. This task is made more challenging in the near term by (a) reductions in state staff and (b) staff time spent working on improved procedures and automation.

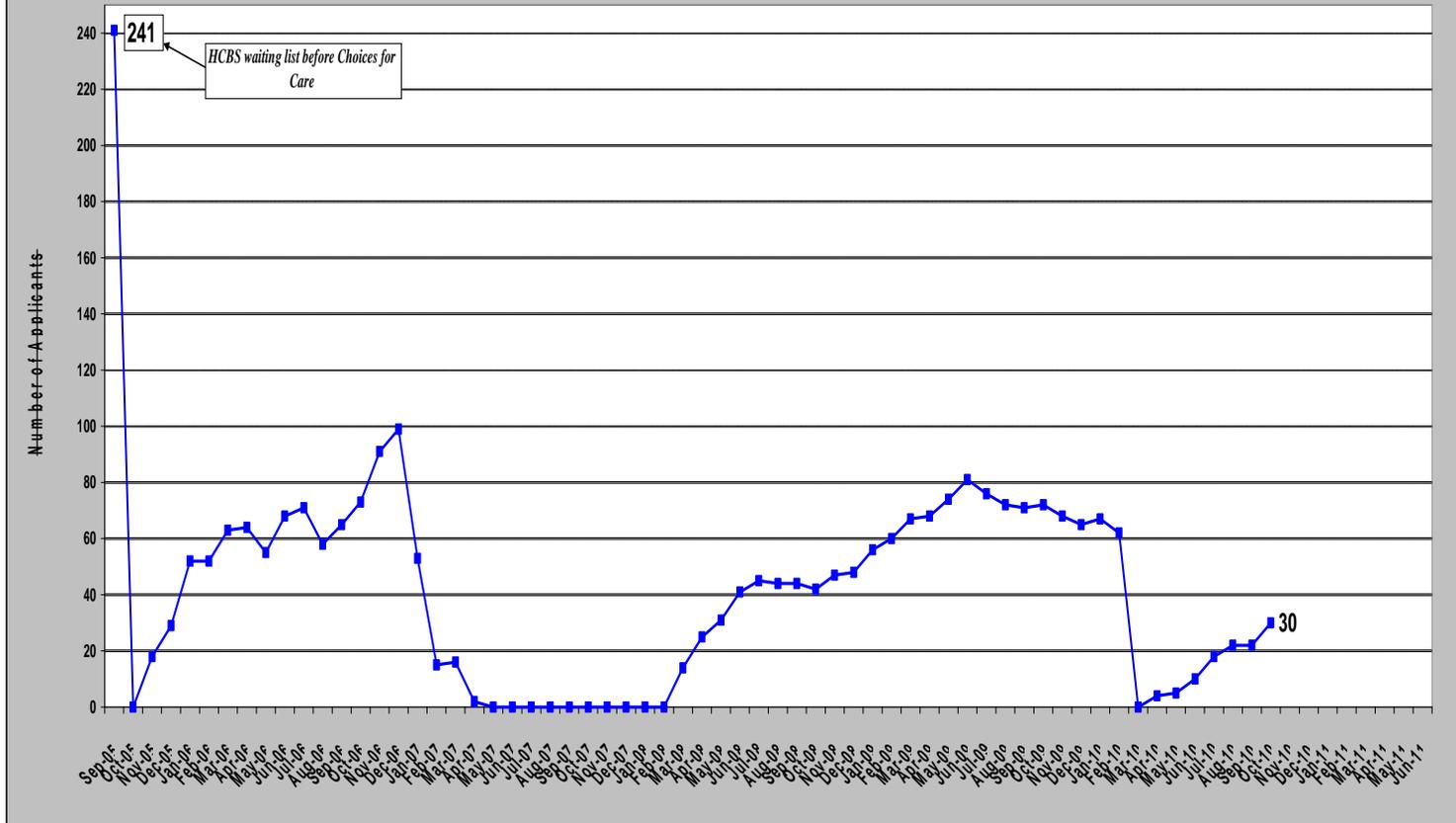
Choices for Care: Denied and Closed Applications, sfy2006 - sfy2010



Data source: DAIL/DDAS database

This shows the number of applications that were closed, denied, or withdrawn in each fiscal year. The percentage of applications that were closed, denied or withdrawn increased from 14% to 37% between sfy2006 and sfy2009, and then fell to 31% in sfy2010. This pattern may be related to changes in the number of applicants who meet High Needs Group eligibility criteria (but not Highest Needs Group criteria).

Choices for Care High Needs Applicant/Waiting List
SFY2006 - SFY2011



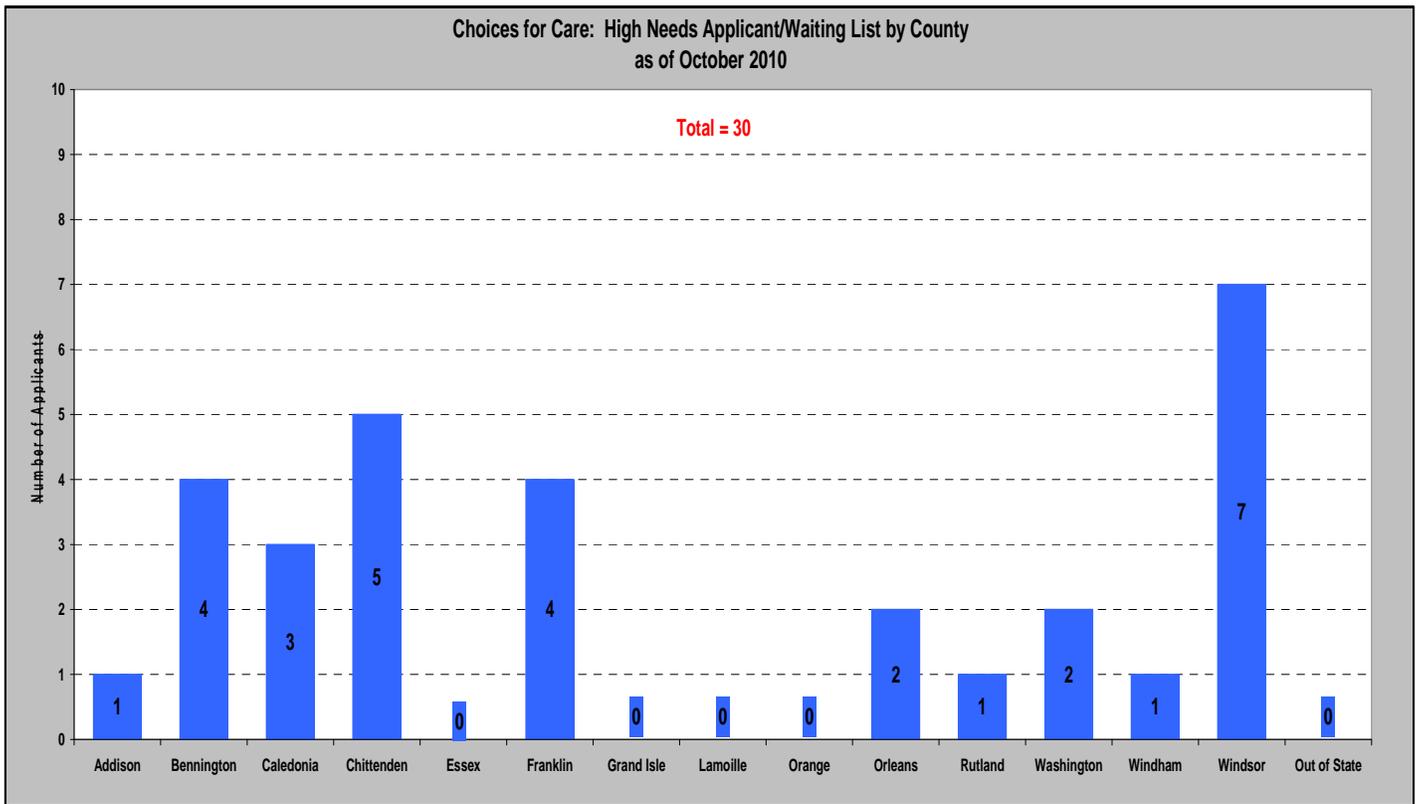
Data source: DAIL/DDAS SAMS database.

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. When Choices for Care was implemented in October 2005, all applicants who met Highest Needs Group eligibility criteria became entitled to the service of their choice, and the total number of people on waiting lists fell dramatically.

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 continue to be imposed for HCBS but not for nursing home services.

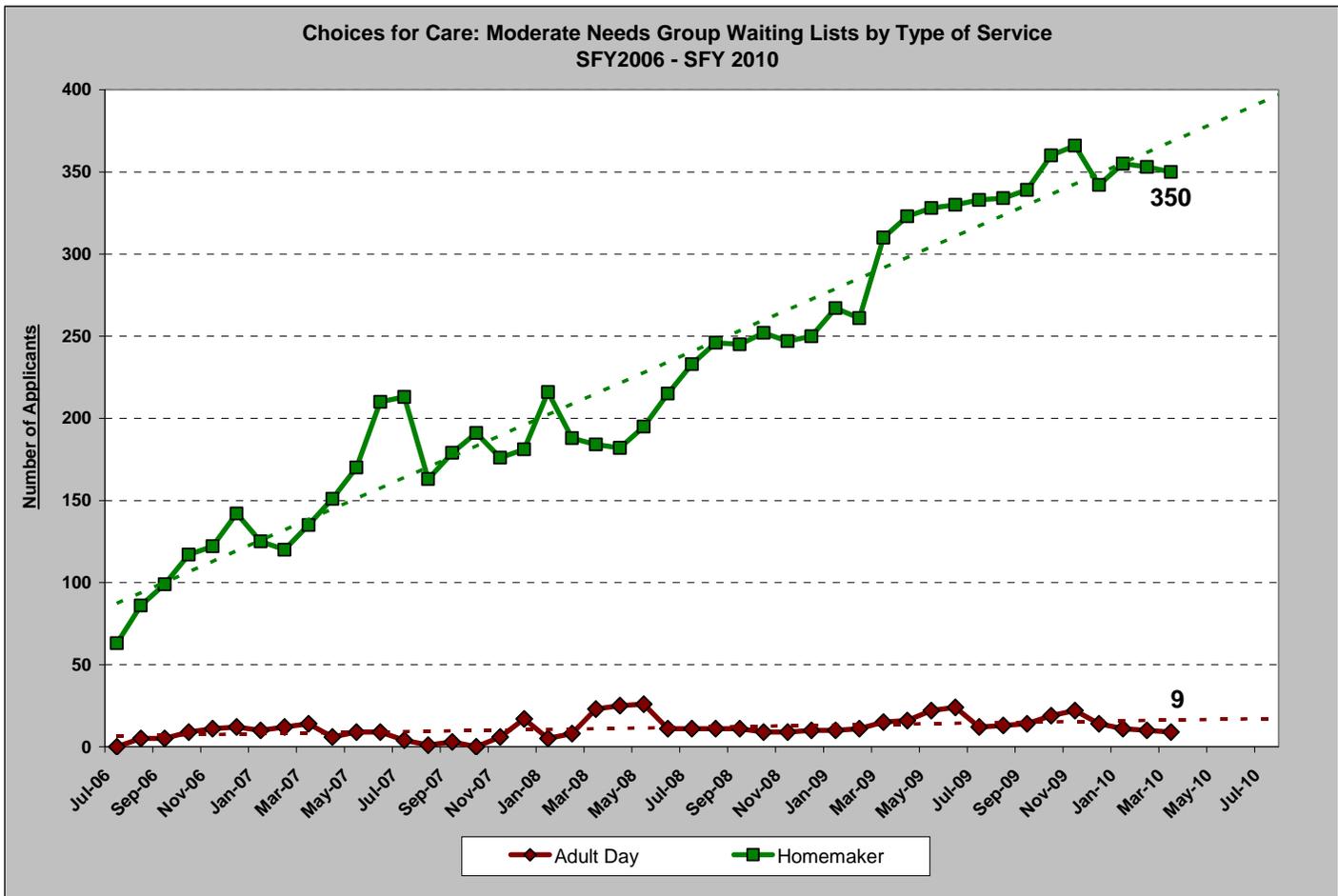
In October 2005, all applicants who met the High Needs Group eligibility criteria were placed on a waiting list. The number of people on this waiting list slowly increased over time. Based on the availability of funds, small numbers of people from the waiting list were enrolled in Choices for Care during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

The High Needs Group waiting list was recreated in February 2008. While state revenues have decreased substantially, Choices for Care expenditure trends in late sfy2010 allowed some people from the High Needs Group waiting list to be enrolled.



Data source: DAIL/DDAS SAMS database.

This shows the number of people on the High Needs Group applicant/waiting list in each county.



Data source: waiting list reports from homemaker and adult day providers

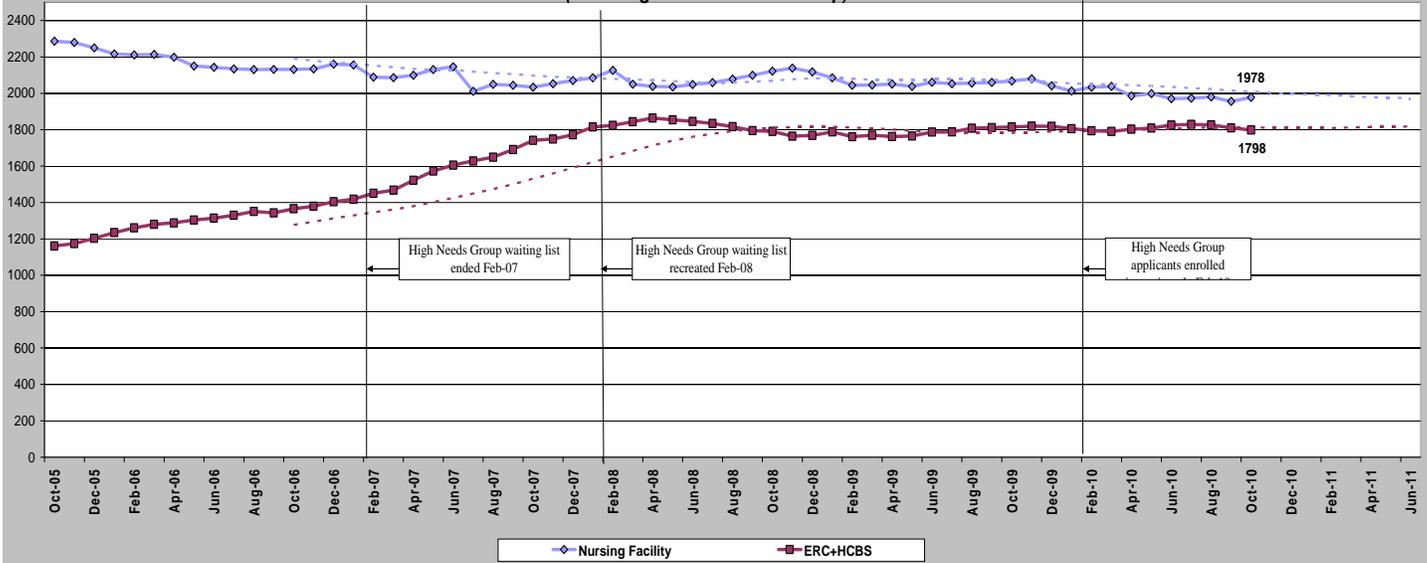
This graph shows the numbers of people on waiting lists for Moderate Needs Group Homemaker and Adult Day Services. The graph begins in July 2006, when providers began submitting monthly waiting list information to the Division of Disability and Aging Services.

Due to the ongoing freeze on enrollment in the Moderate Needs Group:

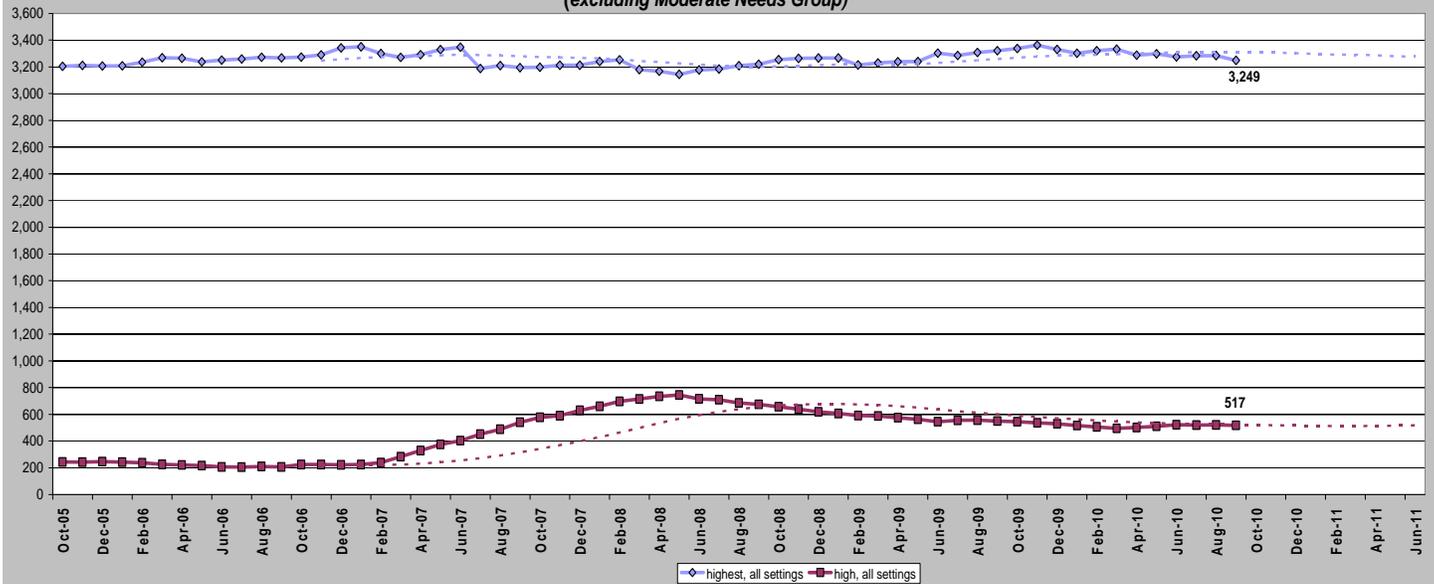
1. people may be less likely to submit Moderate Needs Group applications to providers
2. people may be more likely to rely on family members and other unpaid caregivers
3. providers are more likely to pursue other funding sources (e.g. Day Health Rehabilitation Services) as an alternative to Moderate Needs Group funding

Because eligibility for Moderate Needs Group services is so inclusive, and enrollment continues to be frozen, the Moderate Needs Group waiting list is not a very accurate or useful measure of unmet need.

Choices for Care: Total Number of Enrolled Participants
SFY 2006 - SFY 2011
(excluding Moderate Needs Group)



Choices for Care: Total Number of Enrolled Participants (ERC,HCBS&NF)
SFY 2006 - SFY 2011
(excluding Moderate Needs Group)

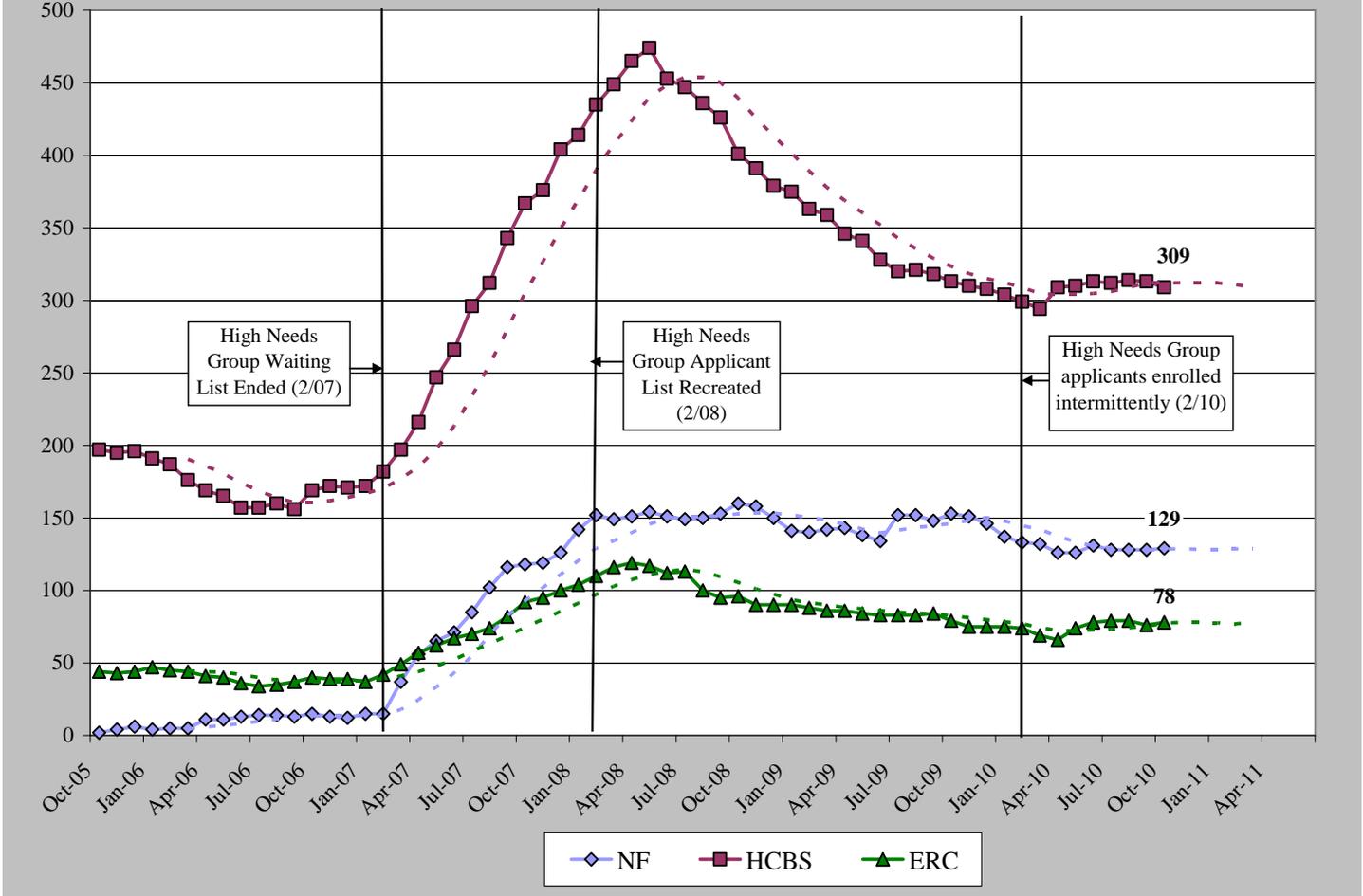


Data source: DAIL/DDAS SAMS database.

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 decrease in the number of people enrolled until May 2008, followed by some variations- including modest decreases since December 2009.
- Alternative settings: a slow increase in the number of people enrolled through April 2008, followed by relatively ‘flat’ enrollment.
- High Needs Group: increased enrollment beginning in February 2007 (when the waiting list ended) until February 2008 (when the waiting list was again imposed), followed by a slow decrease in enrollment.

Choices for Care: High Needs Group Enrollment, sfy2006-sfy2011

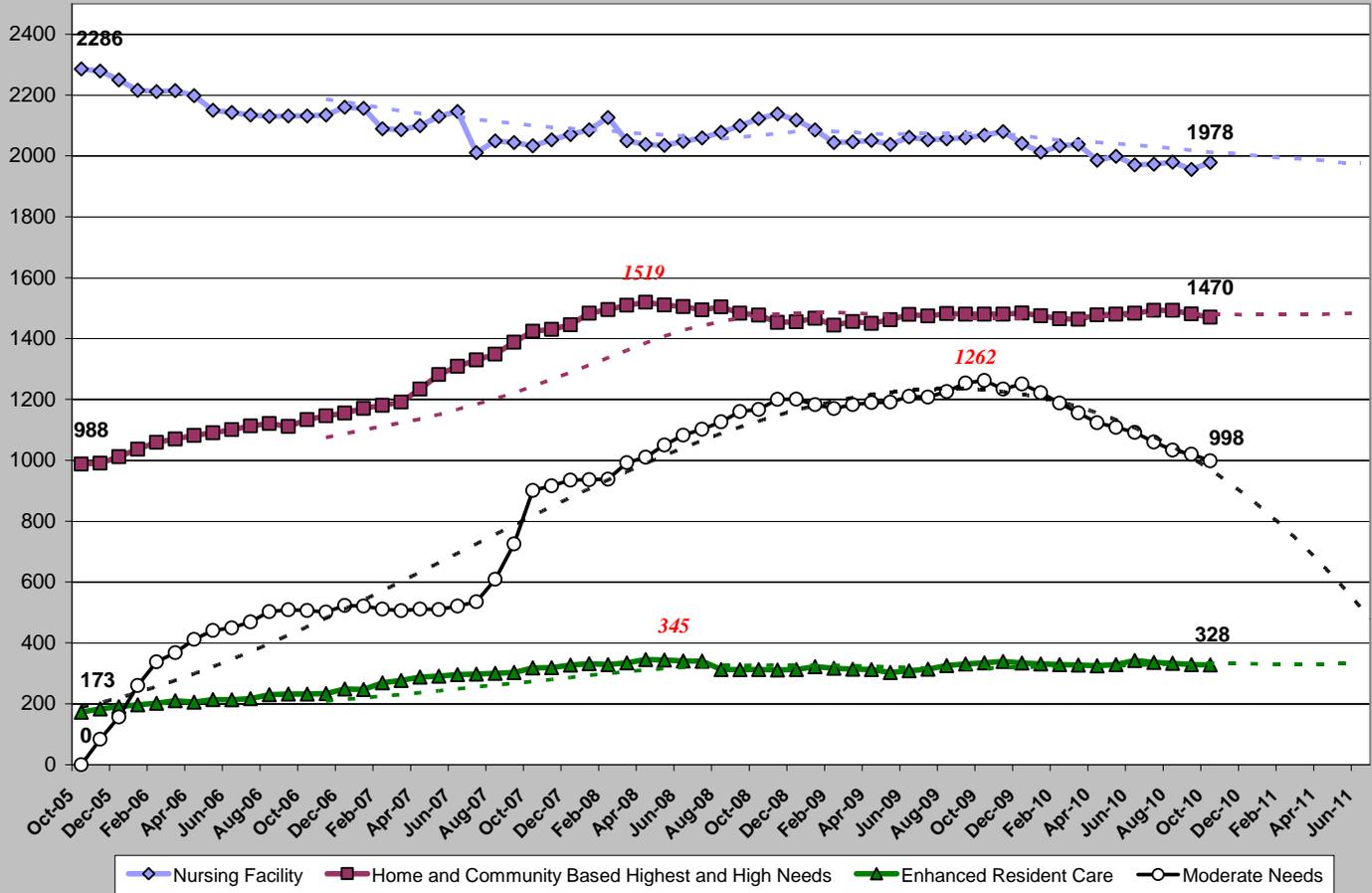


Data source: DAIL/DDAS SAMS database.

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.

When the High Needs Group applicant list was recreated in February 2008, enrollment of people with High Needs in the HCBS setting decreased significantly. Some people were enrolled from the High Needs Group waiting list in recent months, leading to small increases in enrollment—particularly in the HCBS and ERC settings.

Choices for Care: Total Number of Enrolled Participants by Setting
SFY 2006 - SFY 2011



Data source: DAIL/DDAS SAMS database.

This graph shows Choices for Care enrollment by setting.

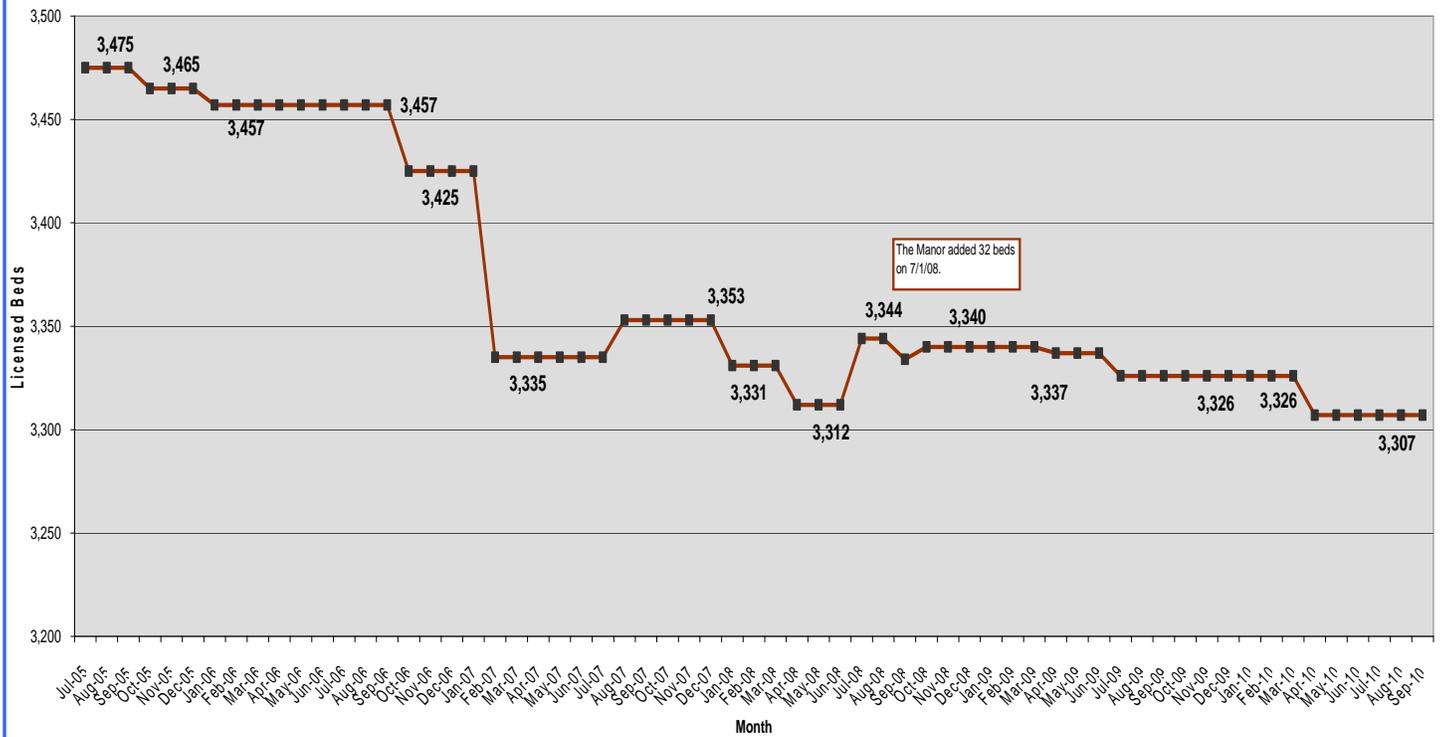
Nursing homes: between October 2005 and October 2010, the number of people enrolled in the nursing home setting decreased by more than 300, or about 13%. This was associated with a decrease of 186 beds in Vermont’s licensed nursing home capacity.

Home Based Services (Highest/High Needs Groups): between October 2005 and October 2010, the number of people enrolled in HCBS increased by nearly 500 people, or more than 50%.

Enhanced Residential Care (ERC): between October 2005 and October 2010, the number of people enrolled in ERC increased by more than 150 people, or about 90%.

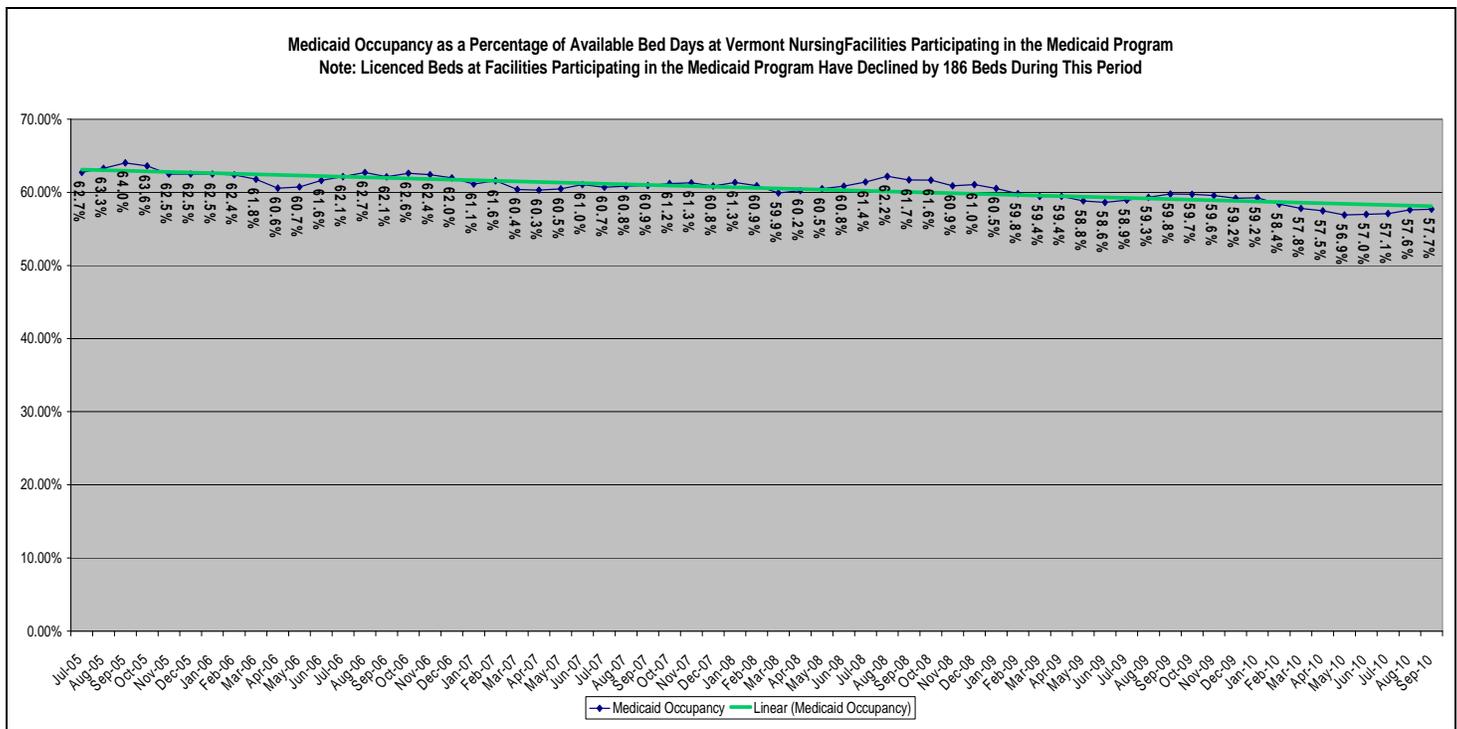
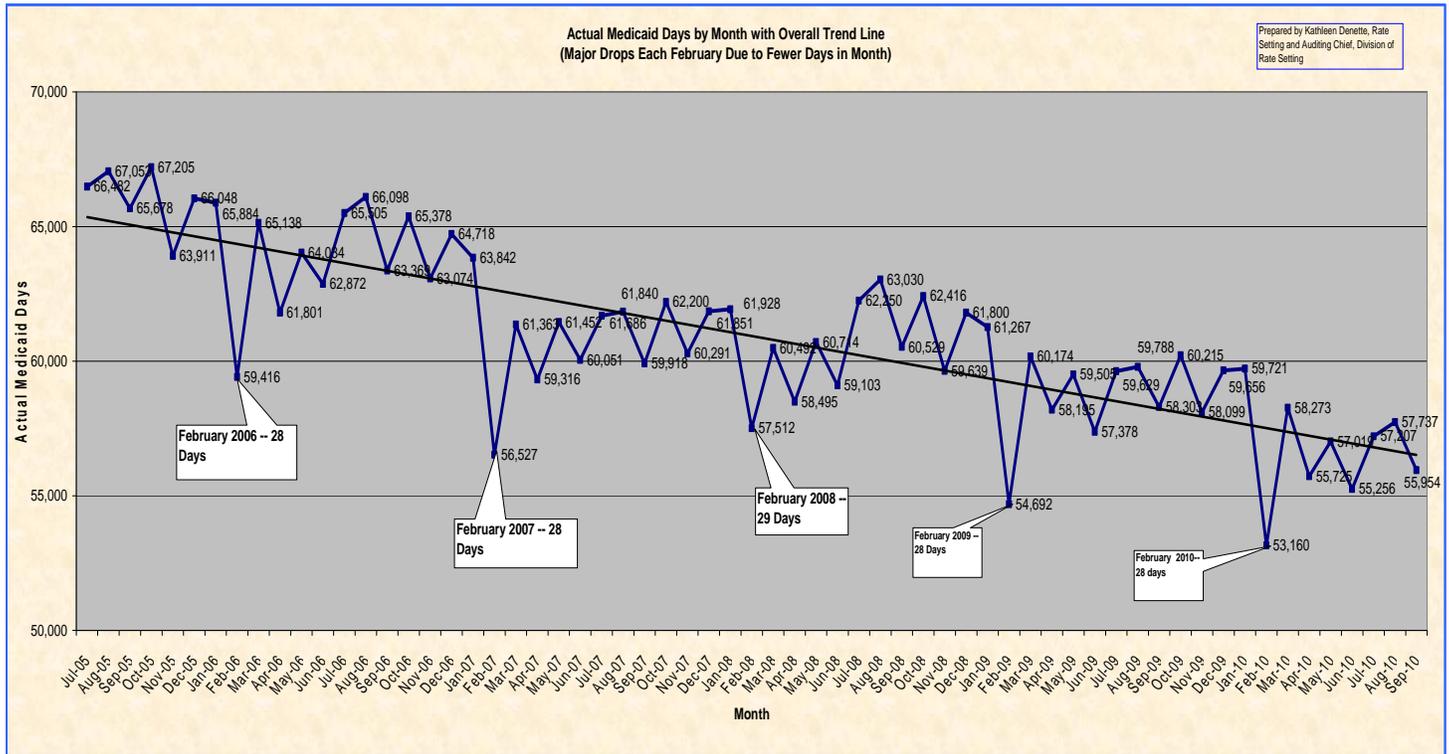
HCBS Moderate Needs Group (MNG): this “expansion” group was created in October 2005, and by October 2009 1262 people were enrolled. The November 2009 freeze on new enrollment in the Moderate Needs Group has led to a substantial decrease in enrollment, which is expected to continue in the coming months.

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



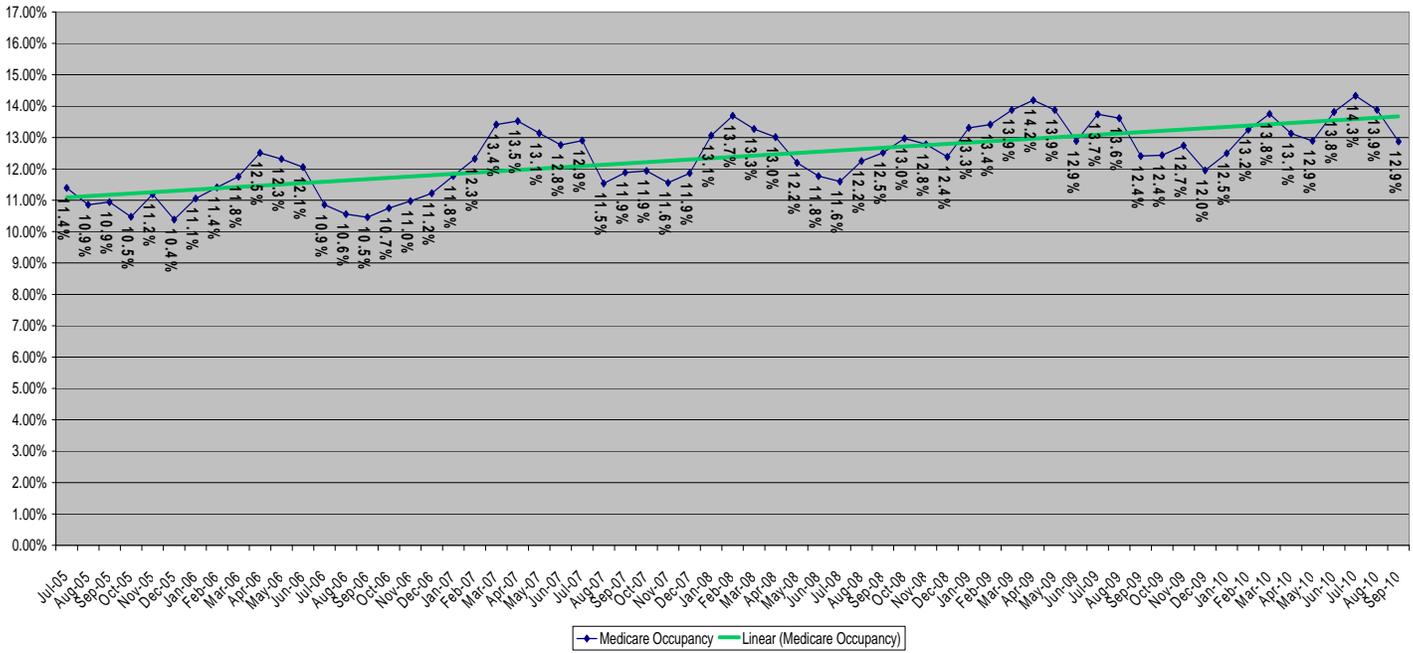
Data source: DRS, using licensing information

This shows the decrease of 186 beds in licensed nursing home bed capacity in Vermont since July 2005.



These two graphs show a gradual decrease in the use of nursing home beds by Medicaid residents. This decrease may be masked by cyclical patterns in Medicaid occupancy, and by a decreasing number of nursing home beds.

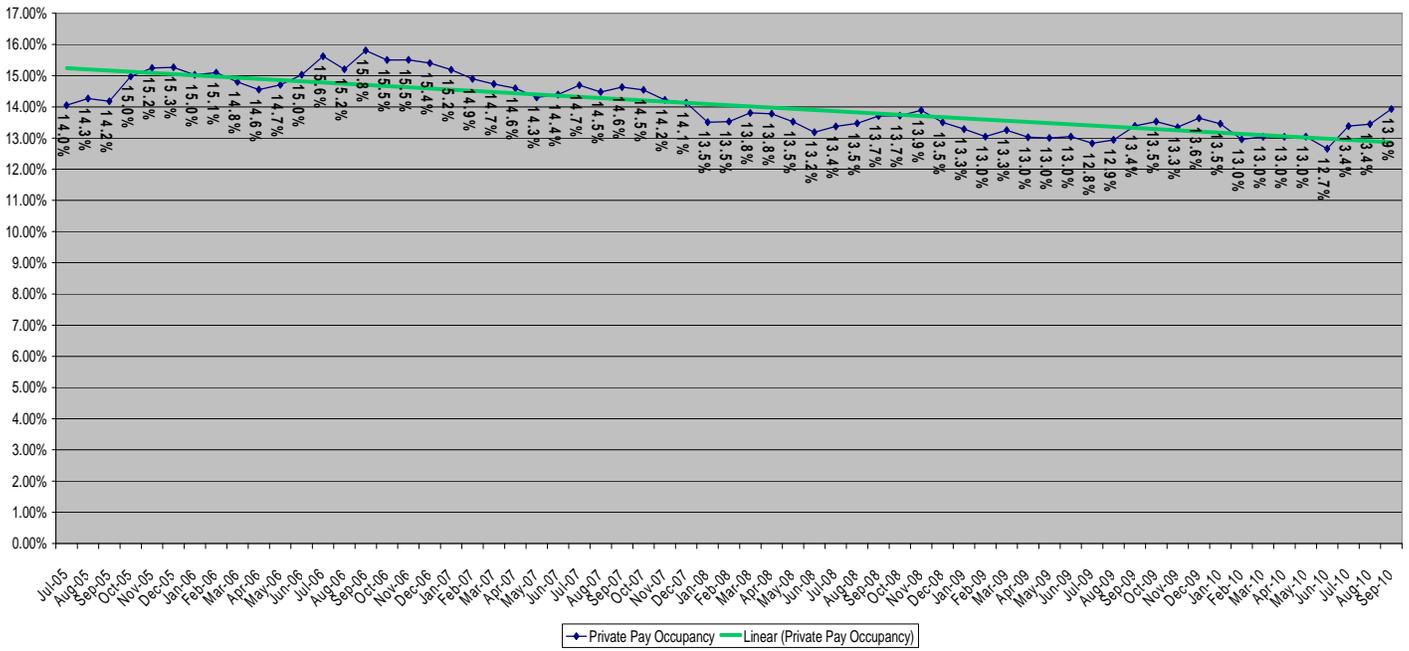
Medicare Occupancy as a Percentage of Available Bed Days at Vermont Nursing Facilities Participating in the Medicaid Program
 Note: Licenced Beds at Facilities Participating in the Medicaid Program Have Declined by 186 Beds During This Period



Data source: DRS, monthly provider reports

This graph shows a gradual increase in the use of nursing home beds by Medicare residents. This increase may be masked by cyclical patterns in Medicare occupancy.

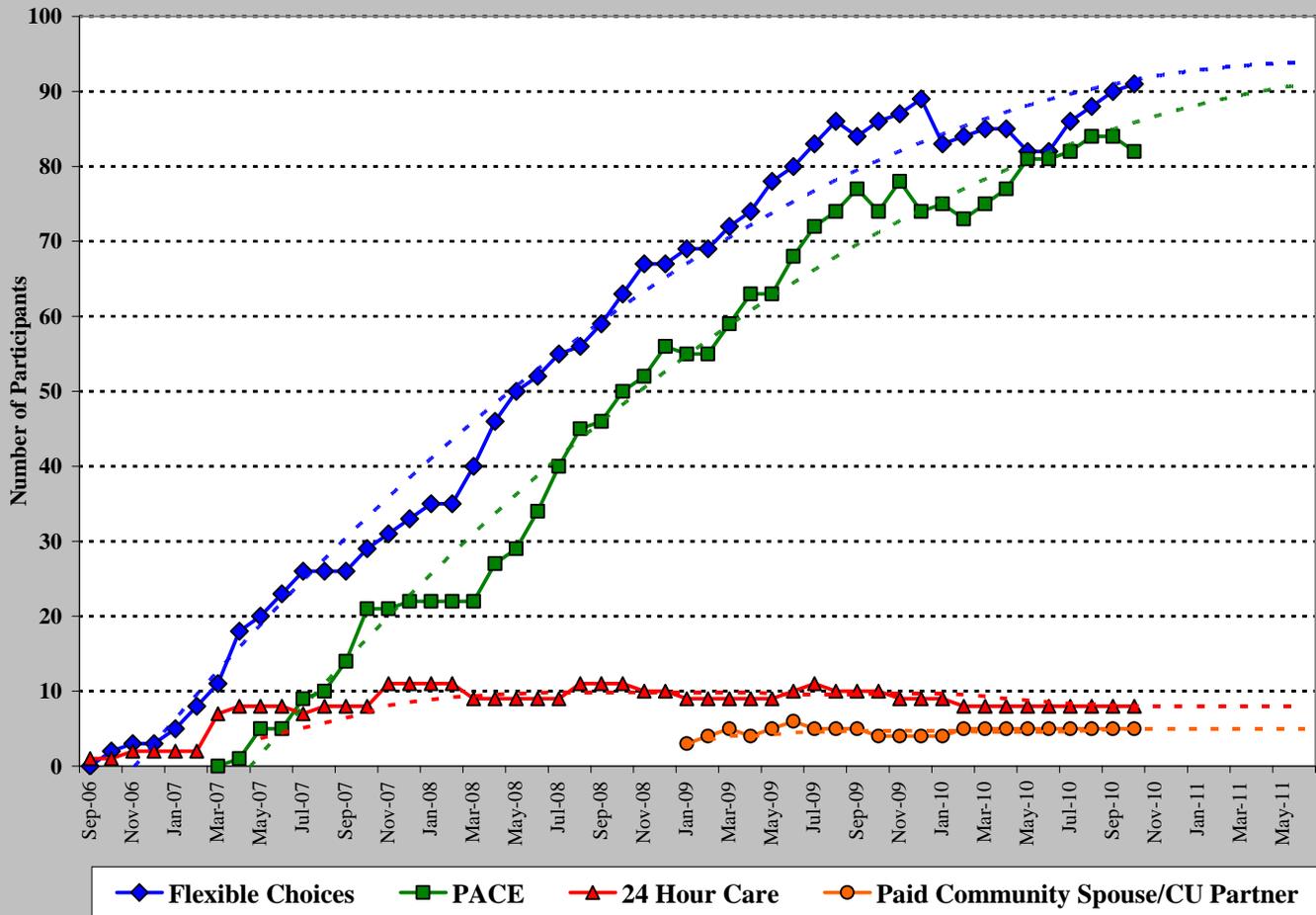
Private Payor Occupancy as a Percentage of Available Bed Days at Vermont Nursing Facilities Participating in the Medicaid Program
 Note: Licenced Beds at Facilities Participating in the Medicaid Program Have Declined by 186 Beds During This Period



Data source: DRS, monthly provider reports

This graph shows a general decrease in the use of nursing home beds by private pay residents.

Choices for Care: Expansion of New Service Options, sfy2007-sfy2011
Flexible Choices, PACE, and HCBS 24-Hour Care Active Enrollments and Paid Spouses

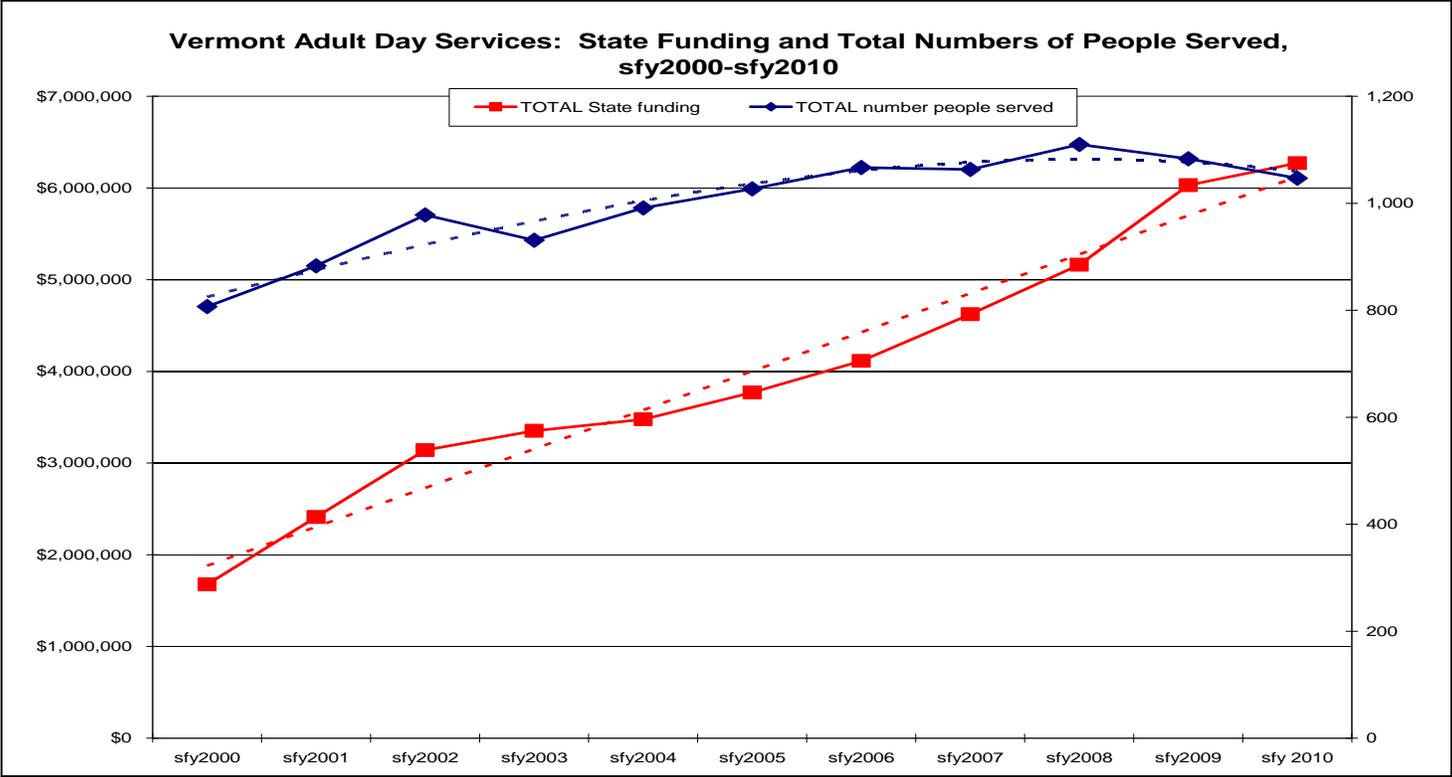
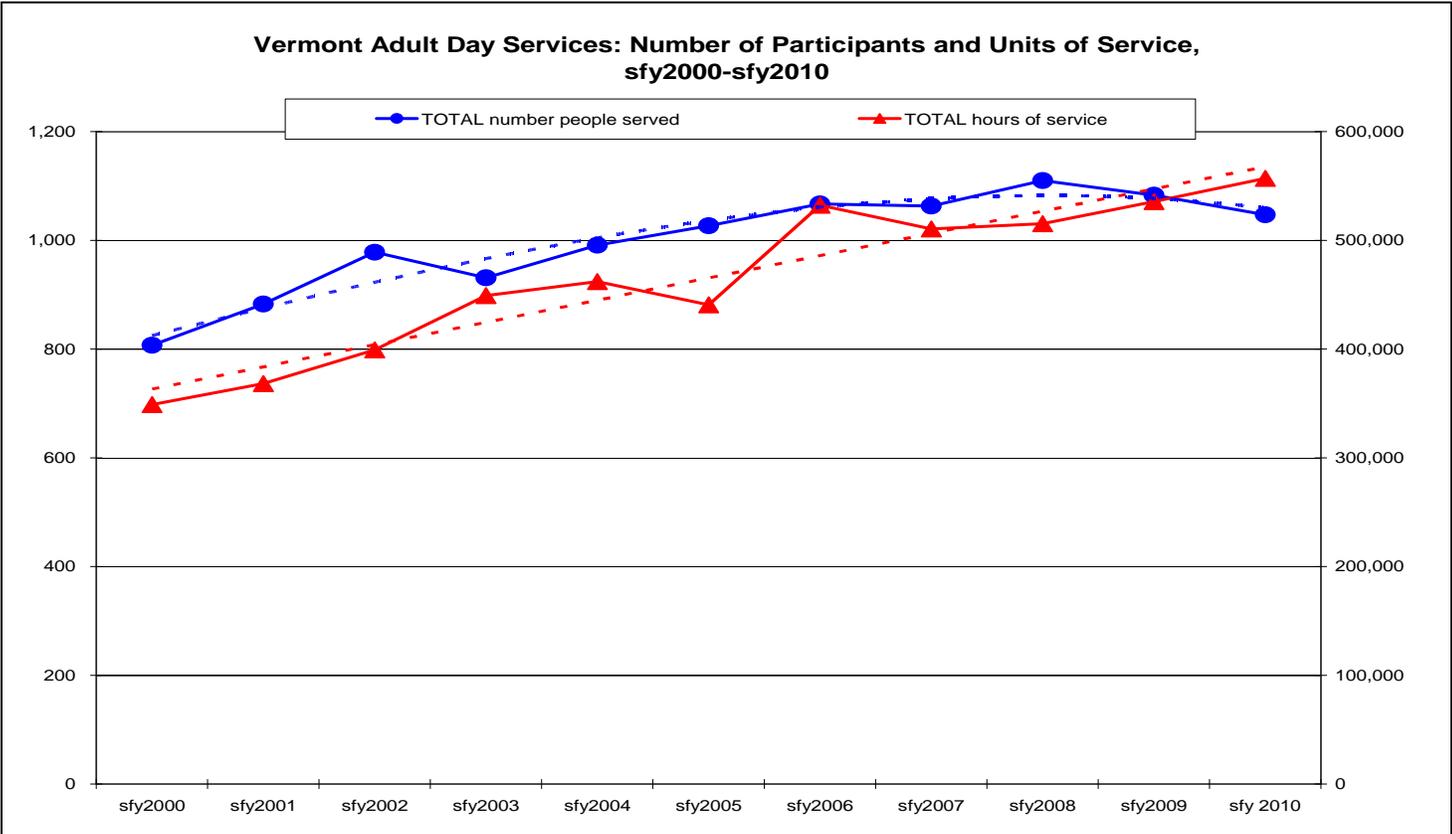


Data source: DAIL/DDAS SAMS database

A goal of Choices for Care is to expand the range of service options available to consumers. This shows the history of enrollment in four new service options: Flexible Choices, PACE, HCBS 24-Hour Care, and payment of spouses.

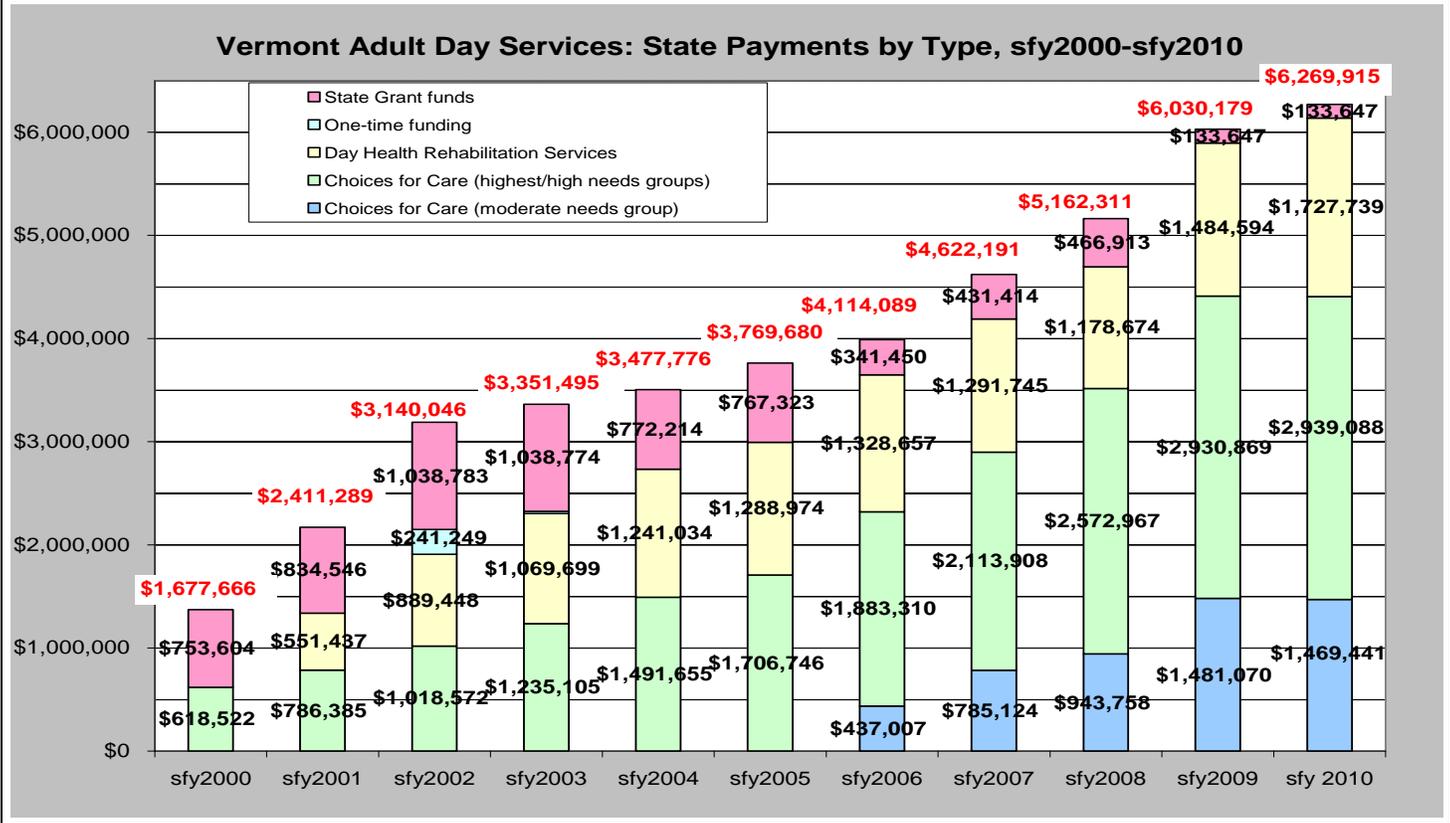
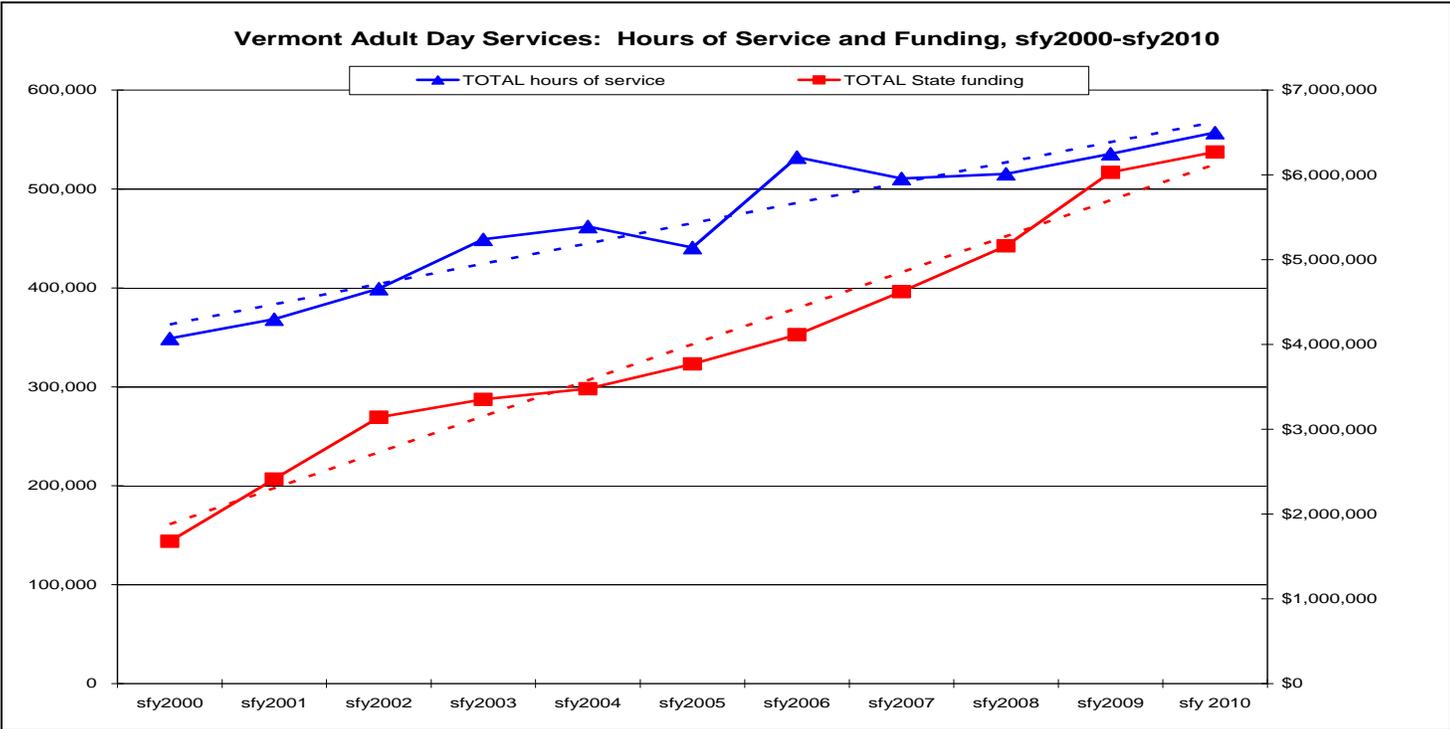
While Medicaid laws and regulations prohibit caregiving payments to spouses except under extraordinary circumstances, this prohibition can be ‘waived’ through an 1115 Waiver. In May 2007, Choices for Care implemented a policy that allows spouses to be paid to provide personal care. Several factors (including eligibility restrictions on household income and the availability of a spouse who is able to provide care) continue to limit the number of people who choose this option.

While the development of each new option represents an accomplishment in expanding consumer choice, the number of people using any of these options remains relatively low, representing about 13% of those served in the HCBS setting (excluding people in the Moderate Needs Group, who are not eligible for these service options).



Data sources: Adult Day provider reports; paid Medicaid claims; DAIL business office

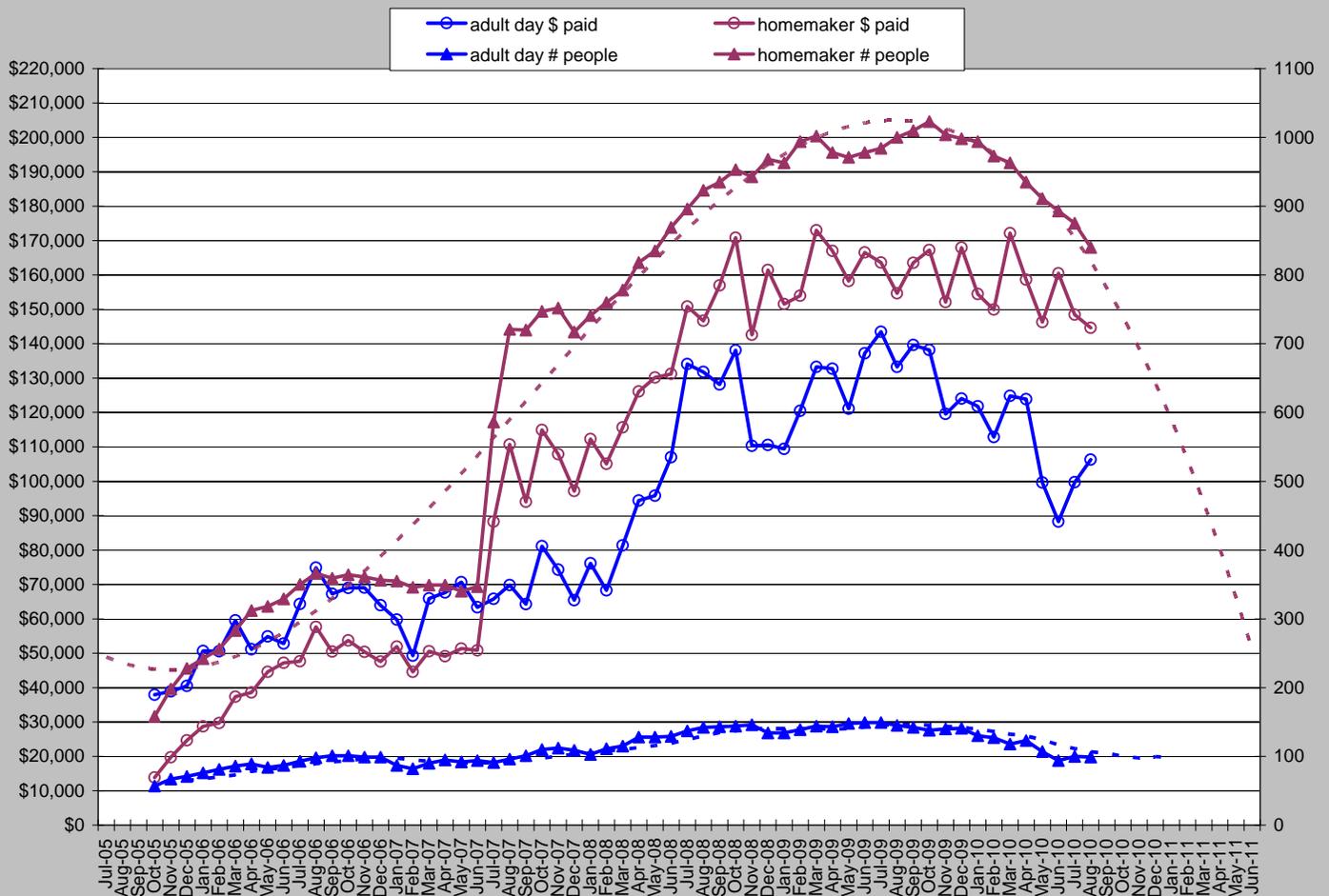
These graphs show an increase in the number of people served by adult day programs from sfy2000 through sfy2008, followed by a fairly stable number. However, total hours of service and total State payments have continued to increase.



Data sources: Adult Day provider reports; paid Medicaid claims; DAIL business office

These graphs illustrate the growth in hours of adult day services, and increased State payments.

Choices for Care Moderate Needs Group Total Participants and Total Payments by Month, sfy2006 - sfy2011

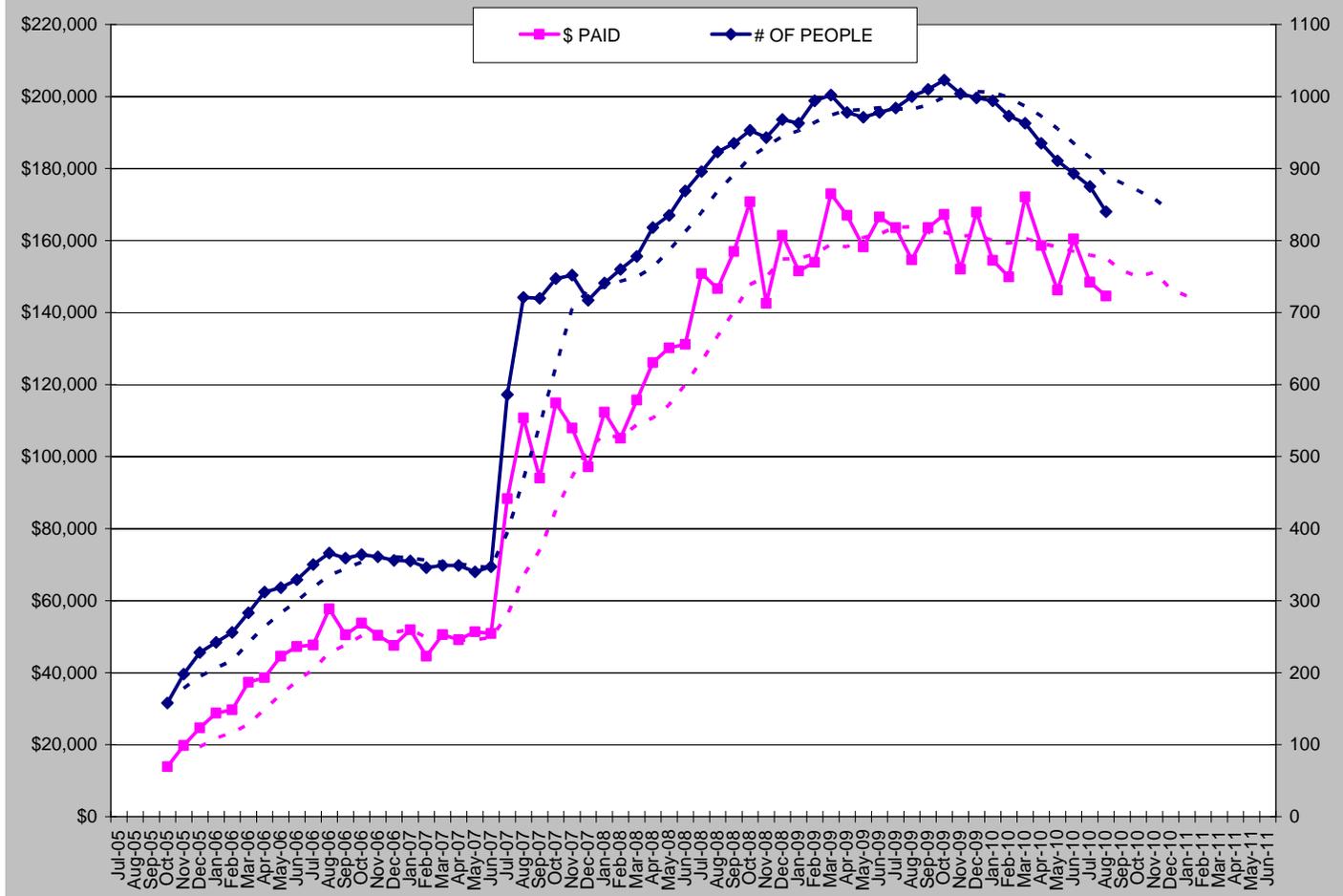


Data source: HP paid claims

Choices for Care Moderate Needs Group funding increased between 2005 and 2009, leading to substantial increases in the number of people served through this funding source. (Note that prior to Choices for Care, significant numbers of people were served through other funding.)

The November 2009 freeze on new enrollment in the Moderate Needs Group has reduced the numbers of people served, and has also reduced services and payments.

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



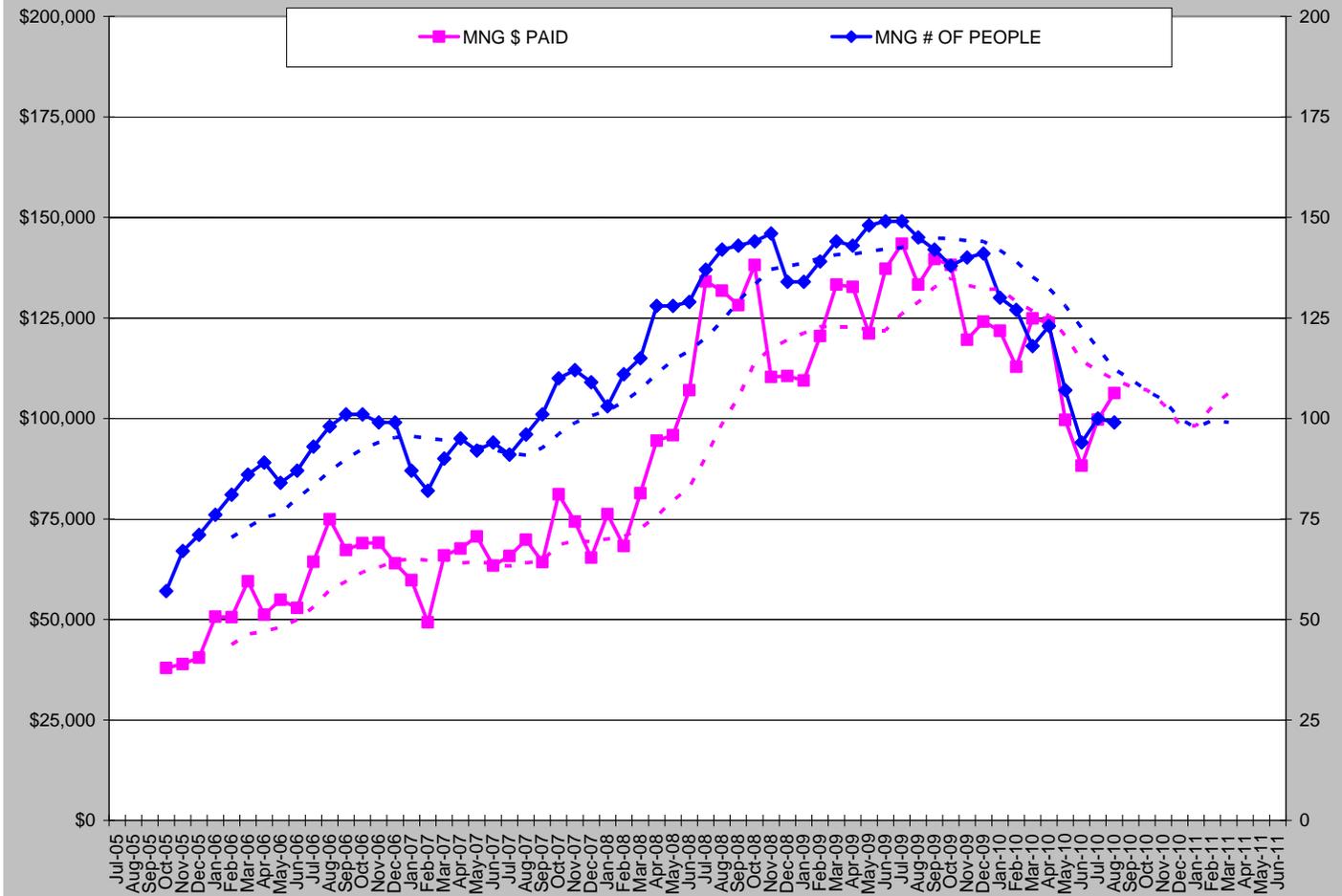
Data source: HP paid claims

Between July 2005 and November 2009, the number of people receiving homemaker services through Choices for Care increased to about 1000 people per month. During the same period, Choices for Care payments for homemaker services increased to over \$160,000 per month

A freeze on new enrollment in the Moderate Needs Group enrollment was imposed in November 2009. This has resulted in a decrease in the number of people served to about 805 per month, and a decrease in monthly payments to about \$150,000.

The freeze on Moderate Needs Group enrollment can be expected to continue to reduce the number of people served, as well as future payments.

Choices for Care Moderate Needs Group Adult Day Services Participants and Payments by Month, sfy2006 - sfy2010



Data source: HP paid claims

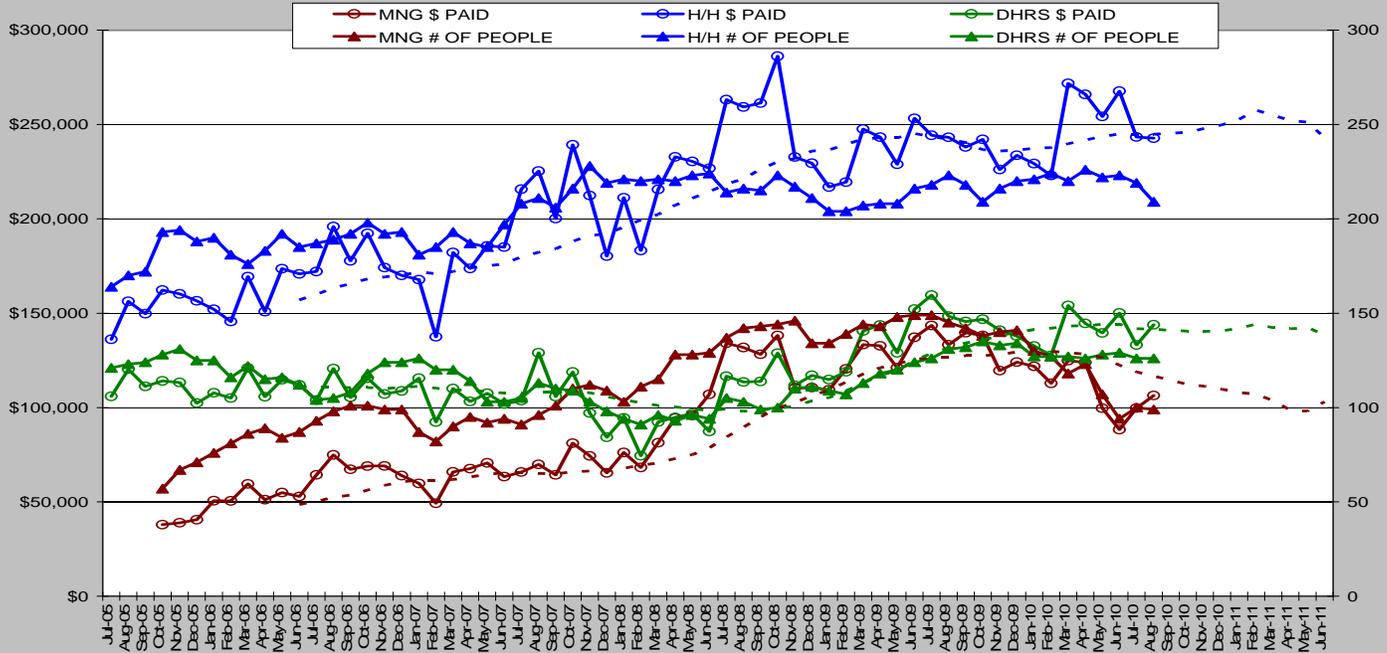
Between July 2005 and July 2009, the number of people receiving adult day services through the Choices for Care Moderate Needs Group increased to about 150 people per month. During the same period, payments for these adult day services increased to over \$140,000 per month.

A freeze on new enrollment in the Moderate Needs Group enrollment was imposed in November 2009. This has resulted in a decrease in the number of people served to about 100 per month, and a decrease in monthly payments to about \$100,000.

The freeze on Moderate Needs Group enrollment can be expected to continue to reduce the number of people served, as well as future payments.

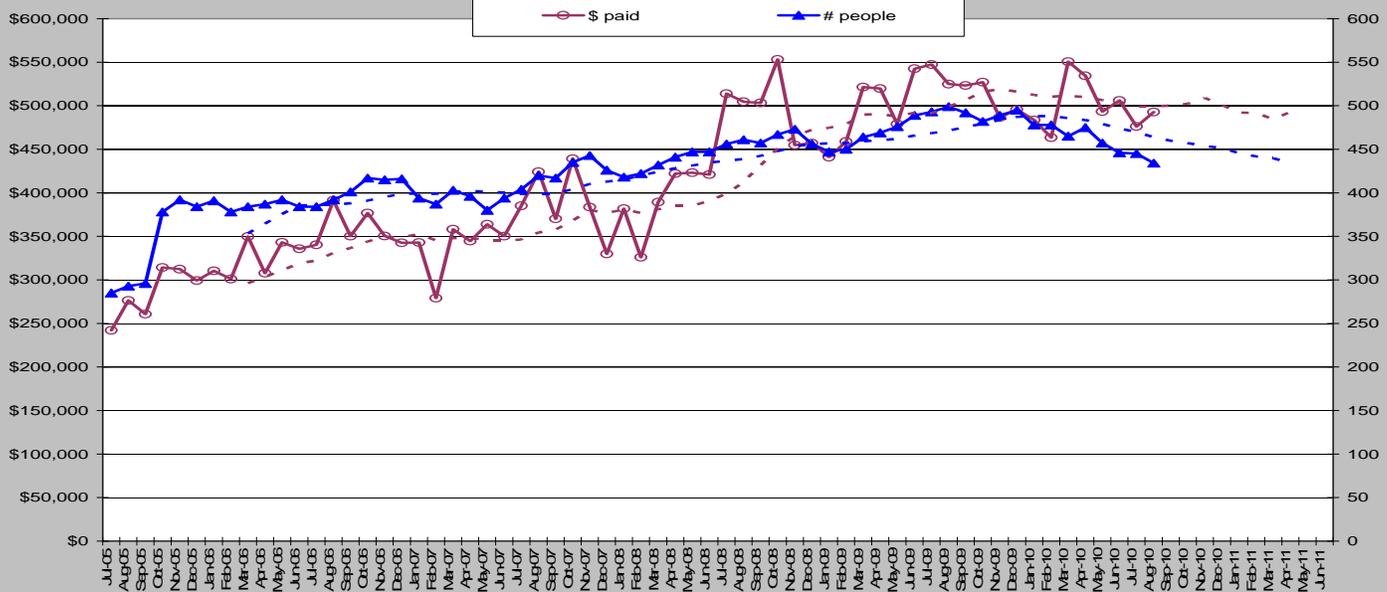
**DAIL Medicaid Adult Day Services
(Moderate Needs Group, Highest/High Needs Groups, Day Health Rehabilitation Services)**

Participants and Payments by Month, sfy2006 - sfy2010



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

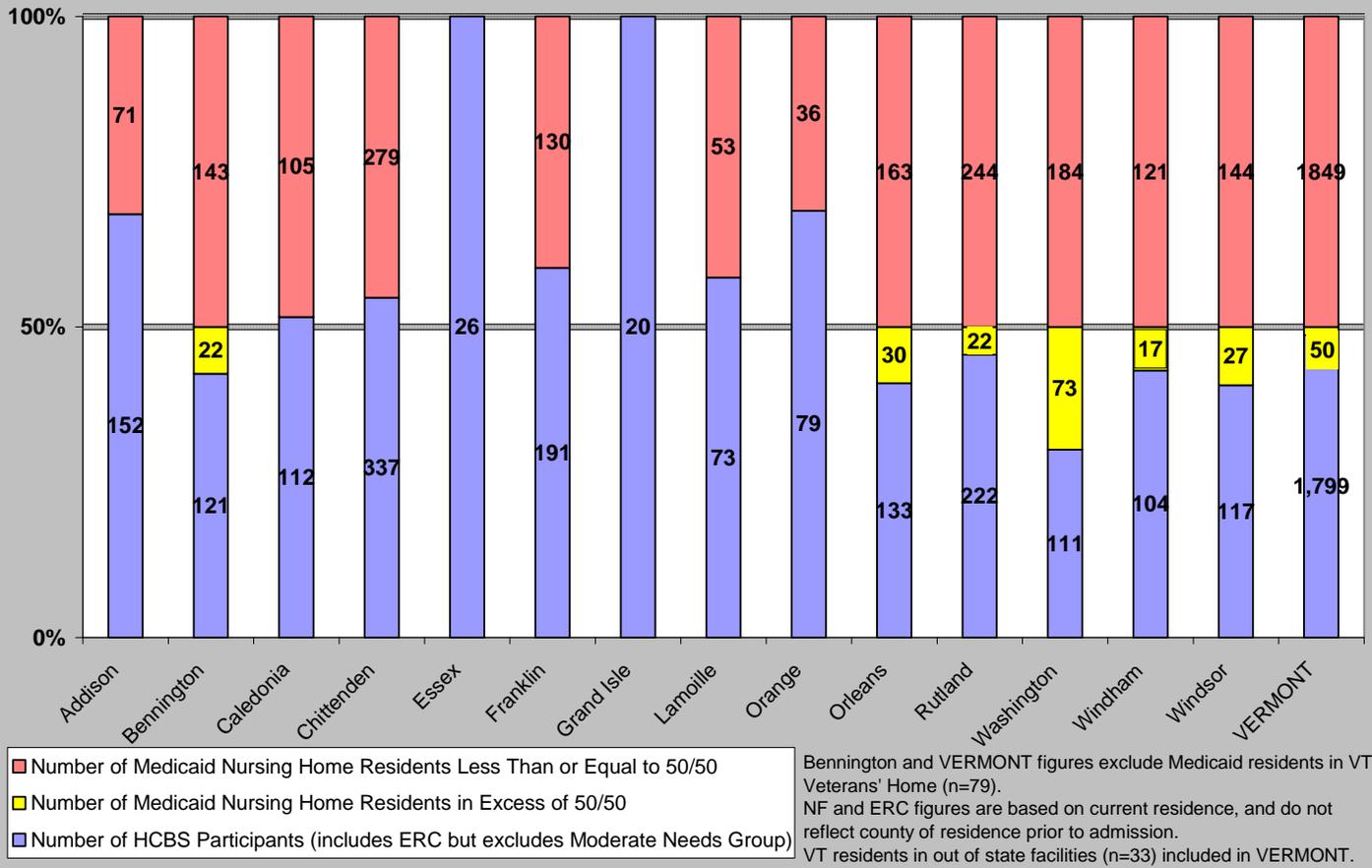
Total Participants and Total Payments by Month, sfy2006 - sfy2010



Data source: HP paid claims

These graphs show the number of people served and payments made by type of Medicaid adult day service: Choices for Care Moderate Needs Group, Choices for Care Highest/High Needs Groups, and Day Health Rehabilitation Services. Between July 2005 and November 2009, the total number of people receiving adult day services through these Medicaid payments increased from about 300 people per month to about 475 people per month, or about 60%. During the same period, the total payments for these services increased from about \$250,000 per month to over \$500,000 per month, or about 100%. The number of people served has decreased in the last year, at least partly due to the freeze on new enrollment in the Moderate Needs Group. This freeze on enrollment may continue to reduce the number of people served, as well as future payments.

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



Data sources: DAIL/DDAS SAMS database

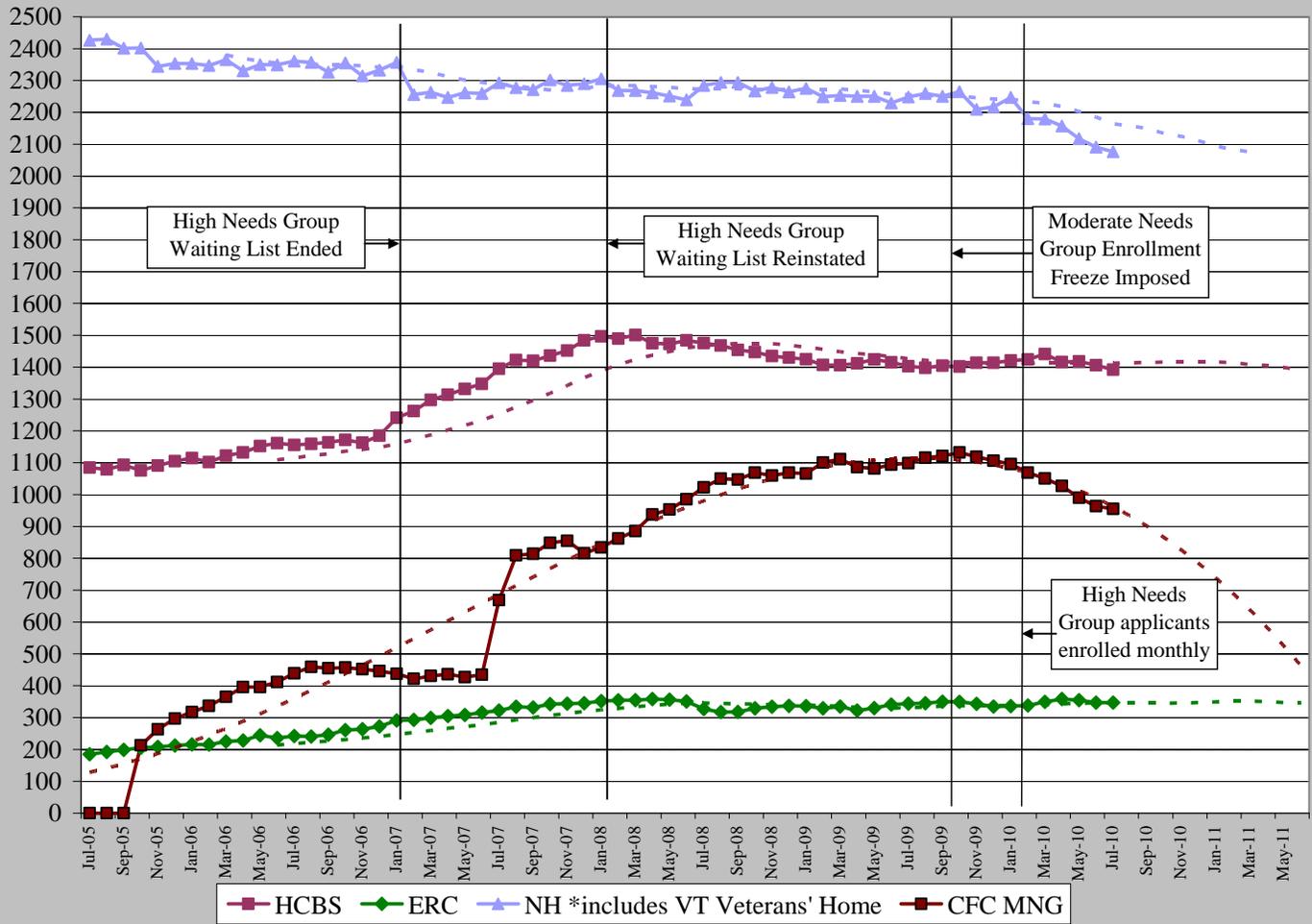
One of the expected outcomes of Choices for Care is that a higher percentage of people who use Medicaid-funded long term care will choose home and community-based settings, while a lower percentage will choose nursing homes. This graph illustrates the relative use of nursing homes and other settings in each county as of July 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 the stated goal of serving at least 50% of the people who use Medicaid long term care in settings other than a nursing home.

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 Washington County remain most reliant on nursing homes.

Vermont: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



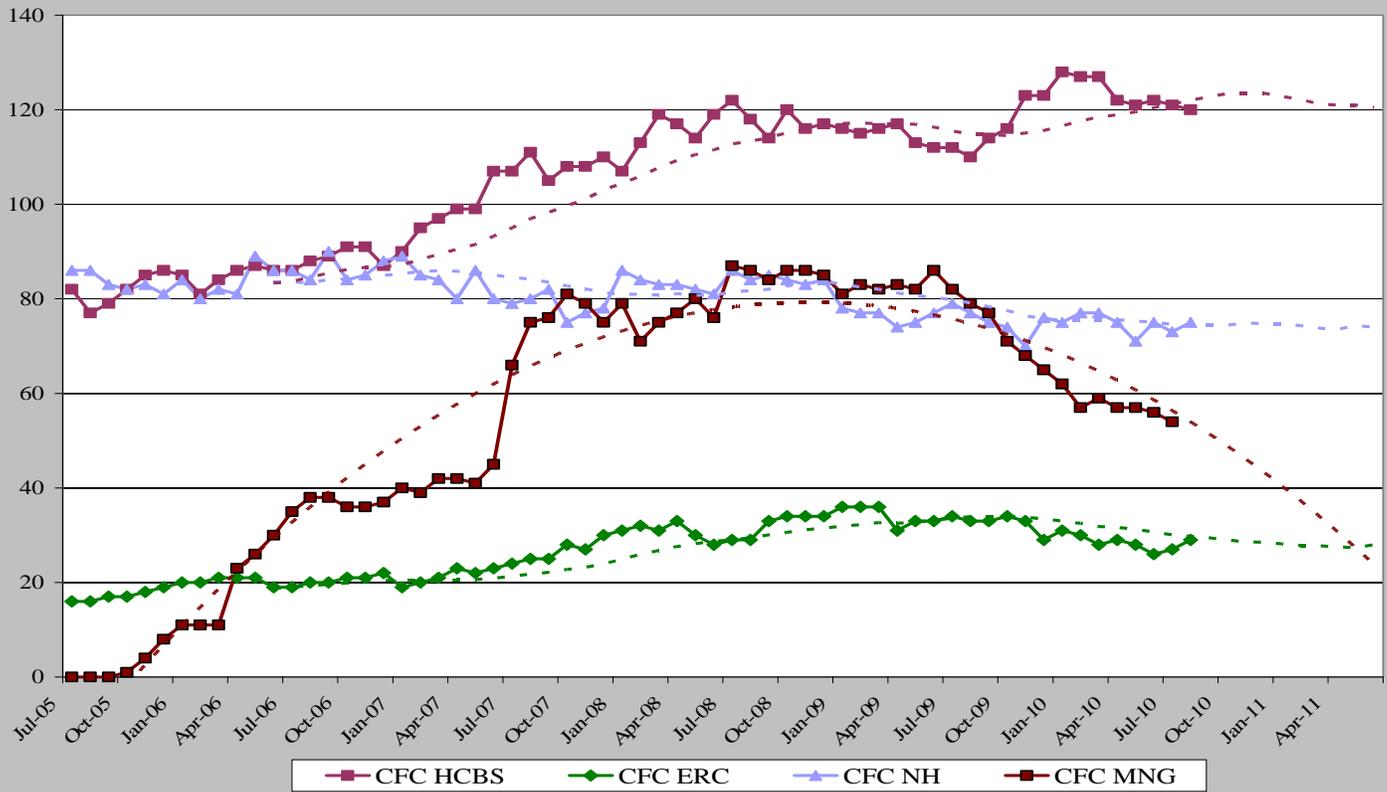
Data source: HP paid claims

In Vermont as a whole, use of HCBS and ERC has increased significantly since July 2005, while the use of nursing homes has decreased. The use of Moderate Needs Group (MNG) services increased until November 2009, when the enrollment freeze was imposed.

The following pages show service use by county.

Addison County: Choices for Care Participants by Setting, sfy2005 - sfy2011

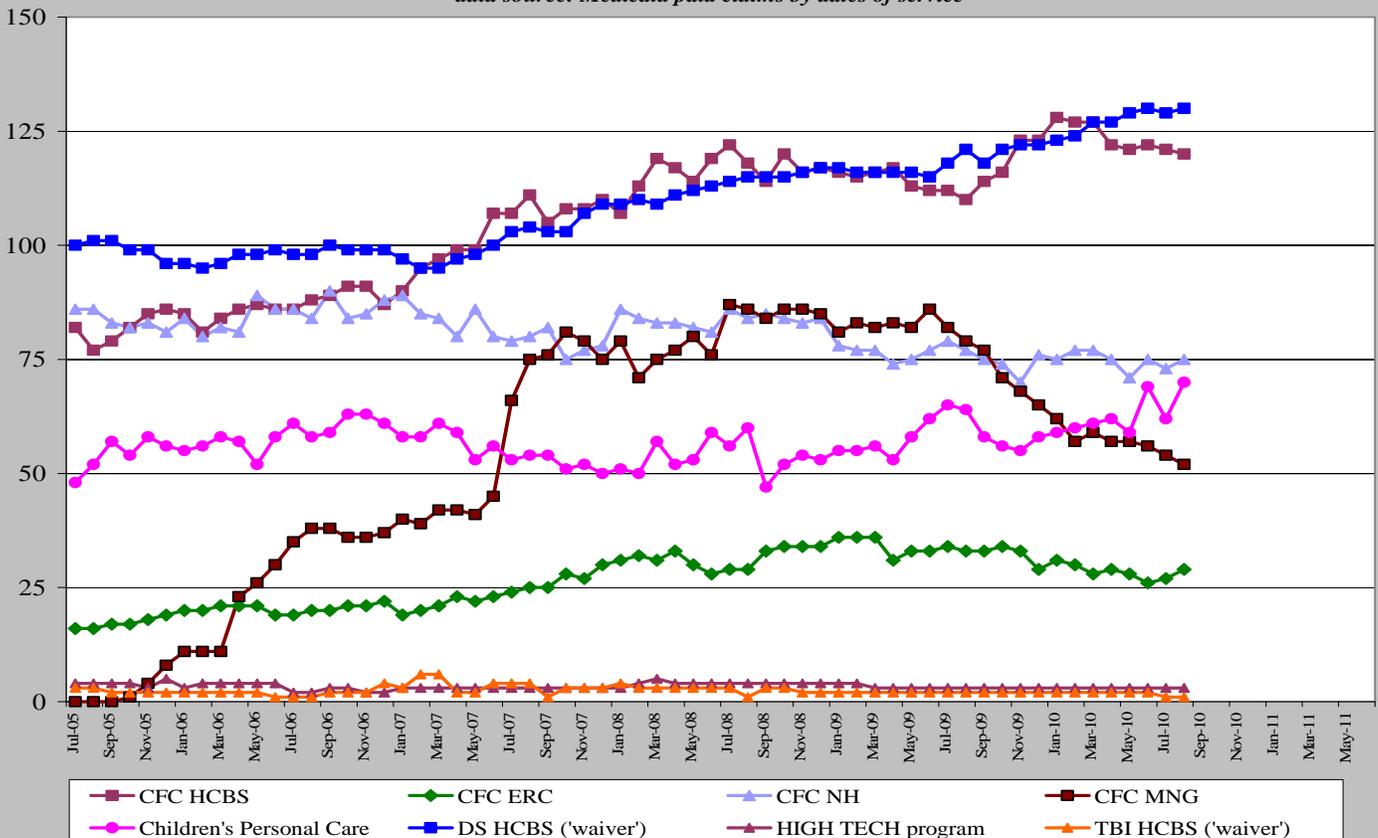
data source: HP, Medicaid paid claims by dates of service



Numbers of People Receiving DDAS Services in Addison County

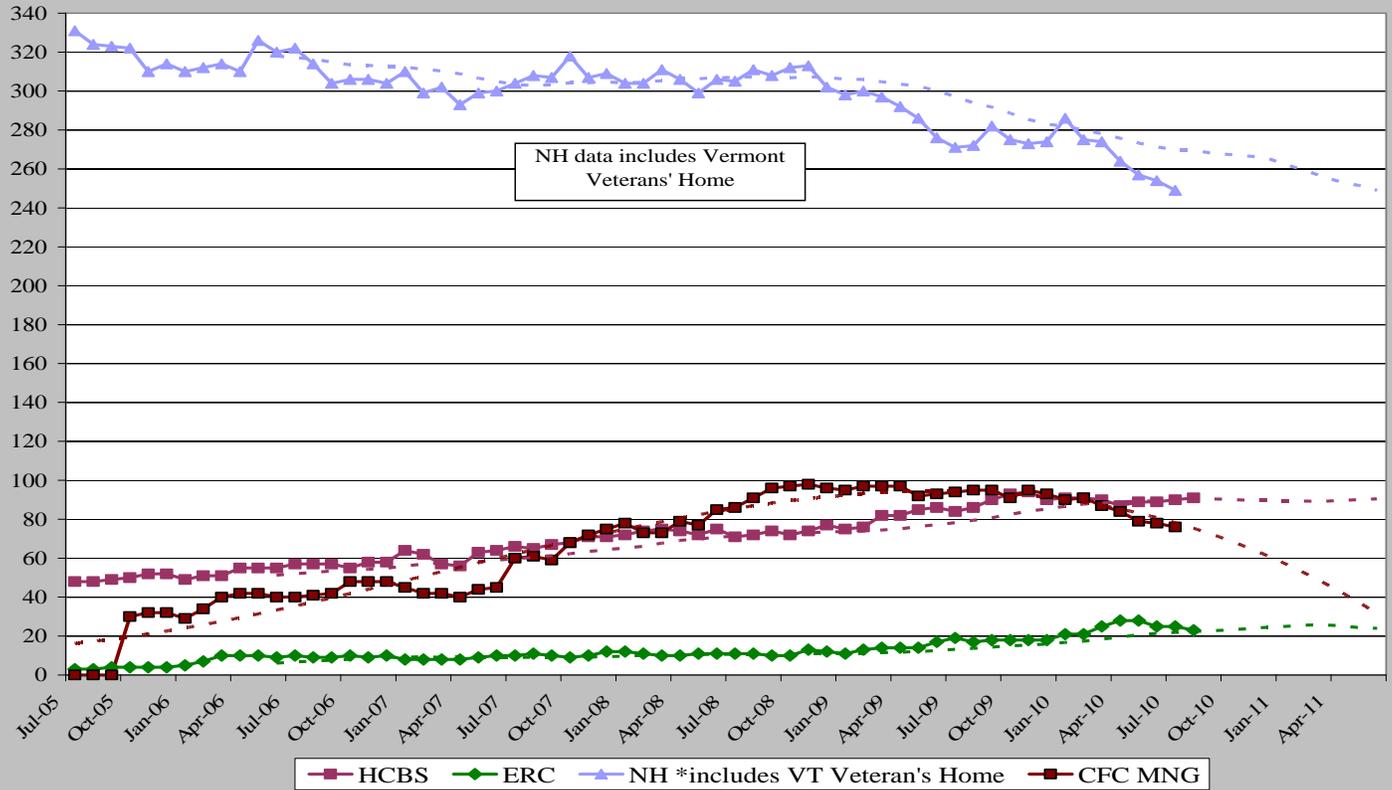
sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



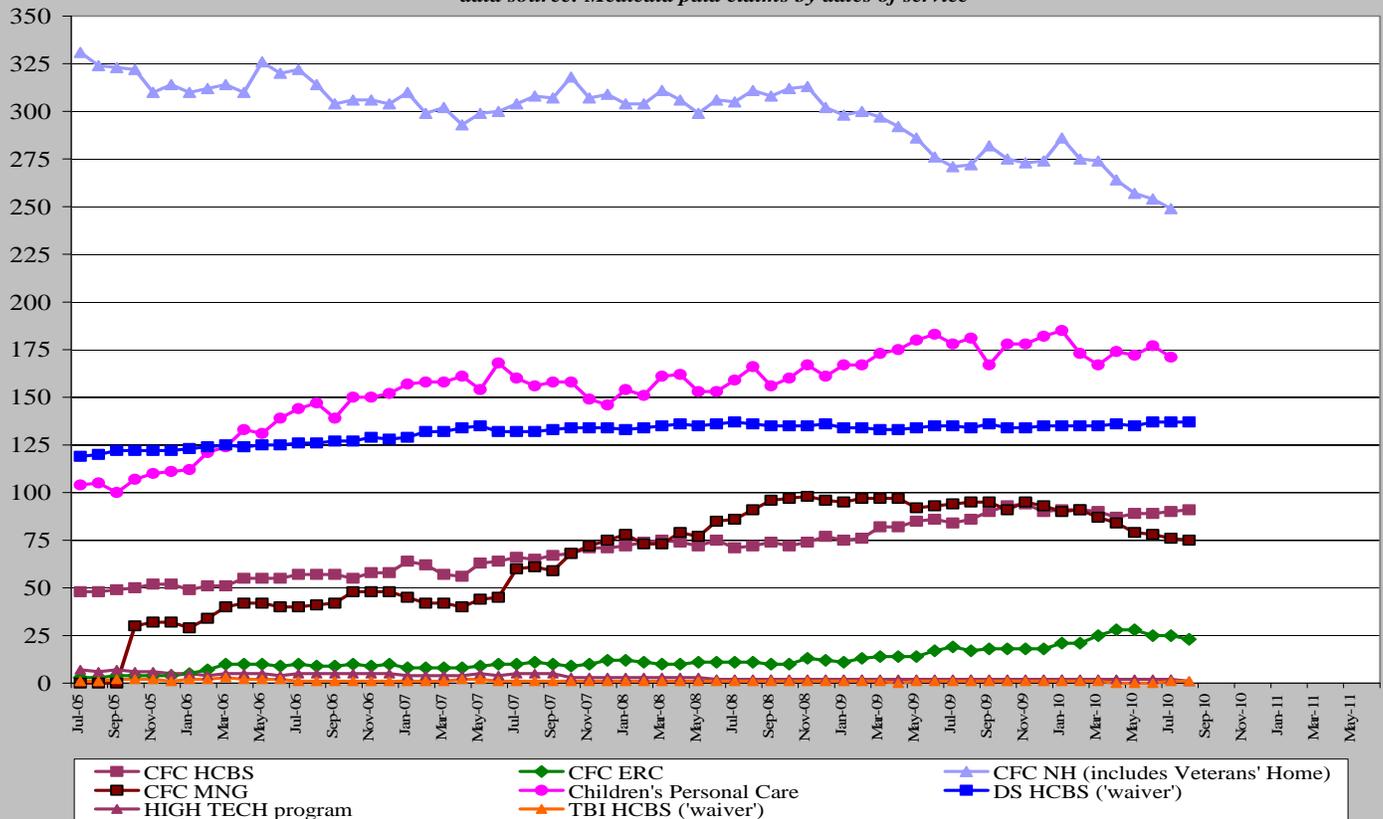
Bennington County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



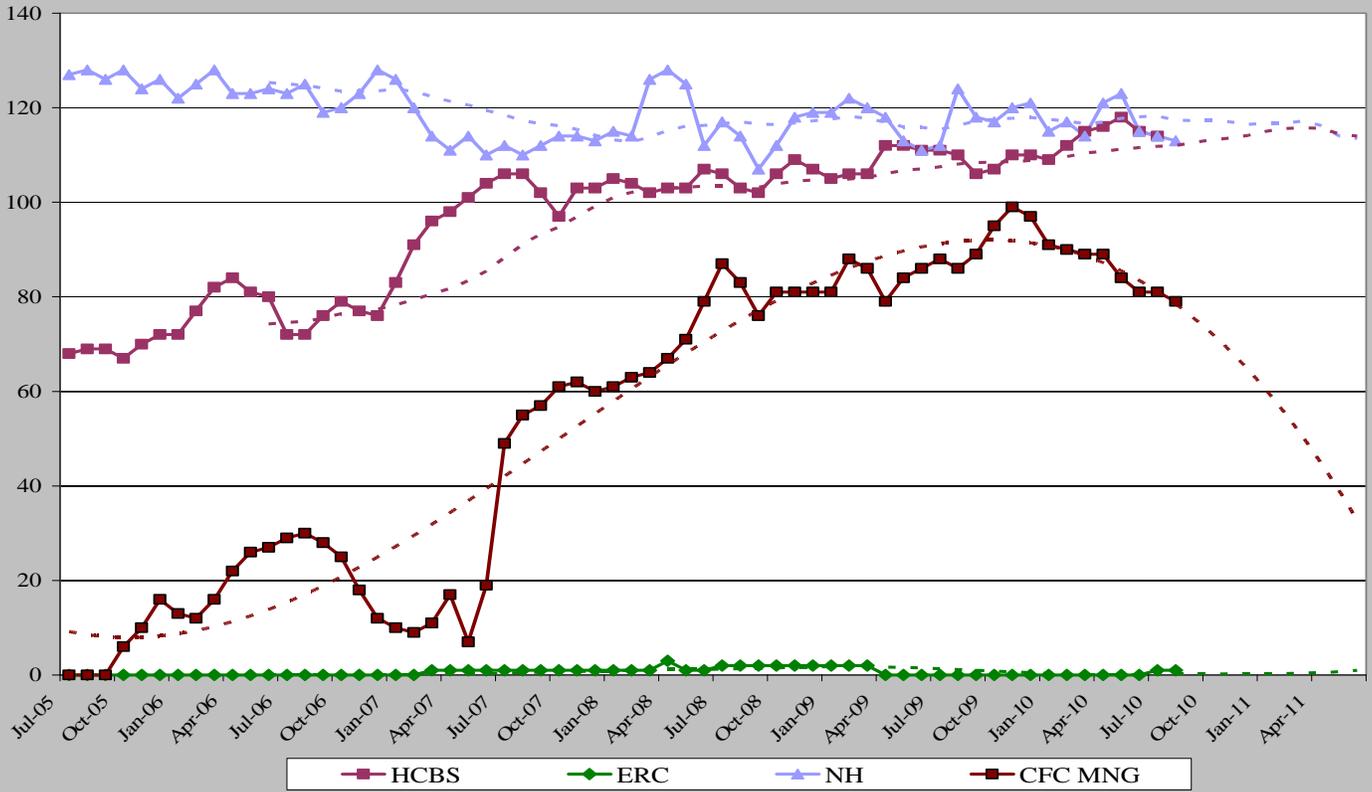
Numbers of People Receiving DDAS Services in Bennington County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



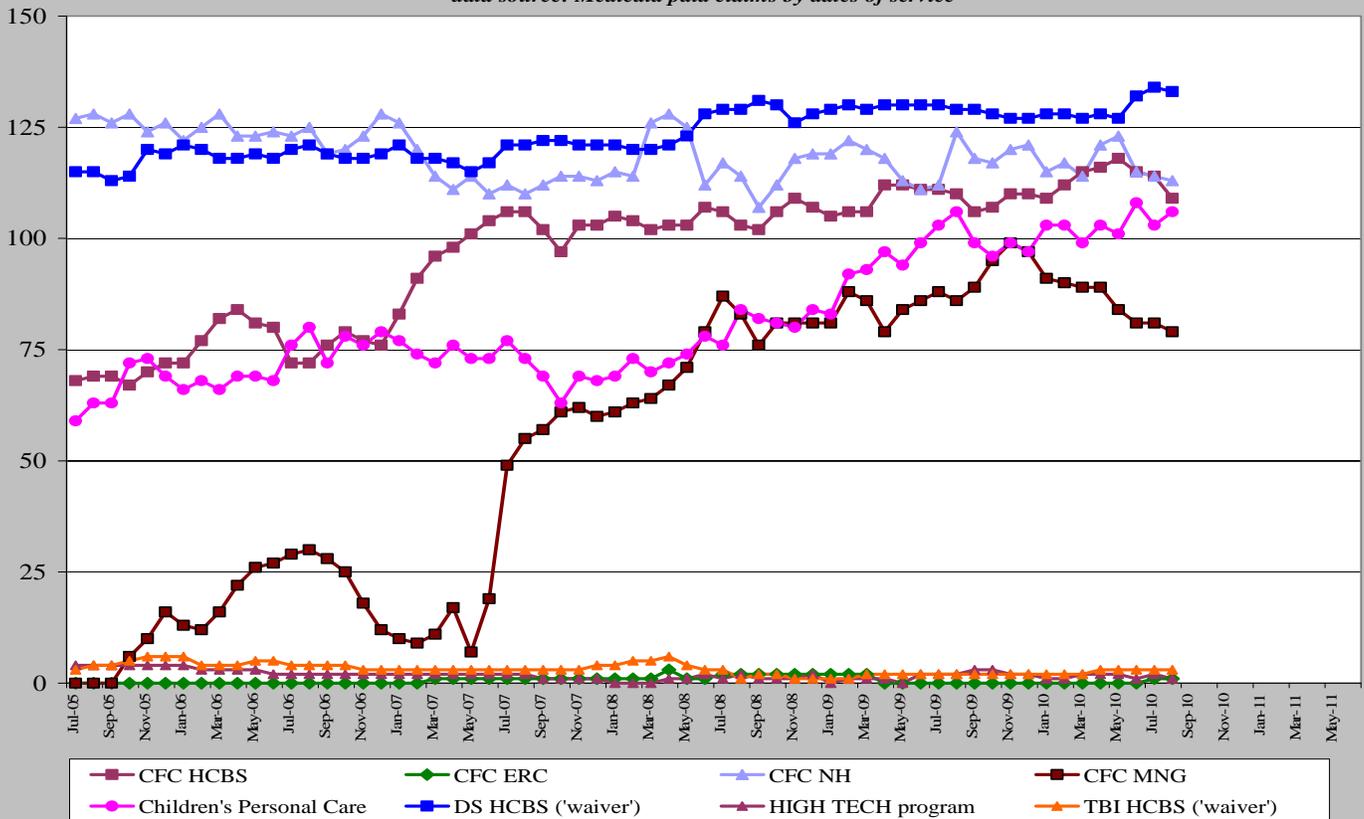
Caledonia County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



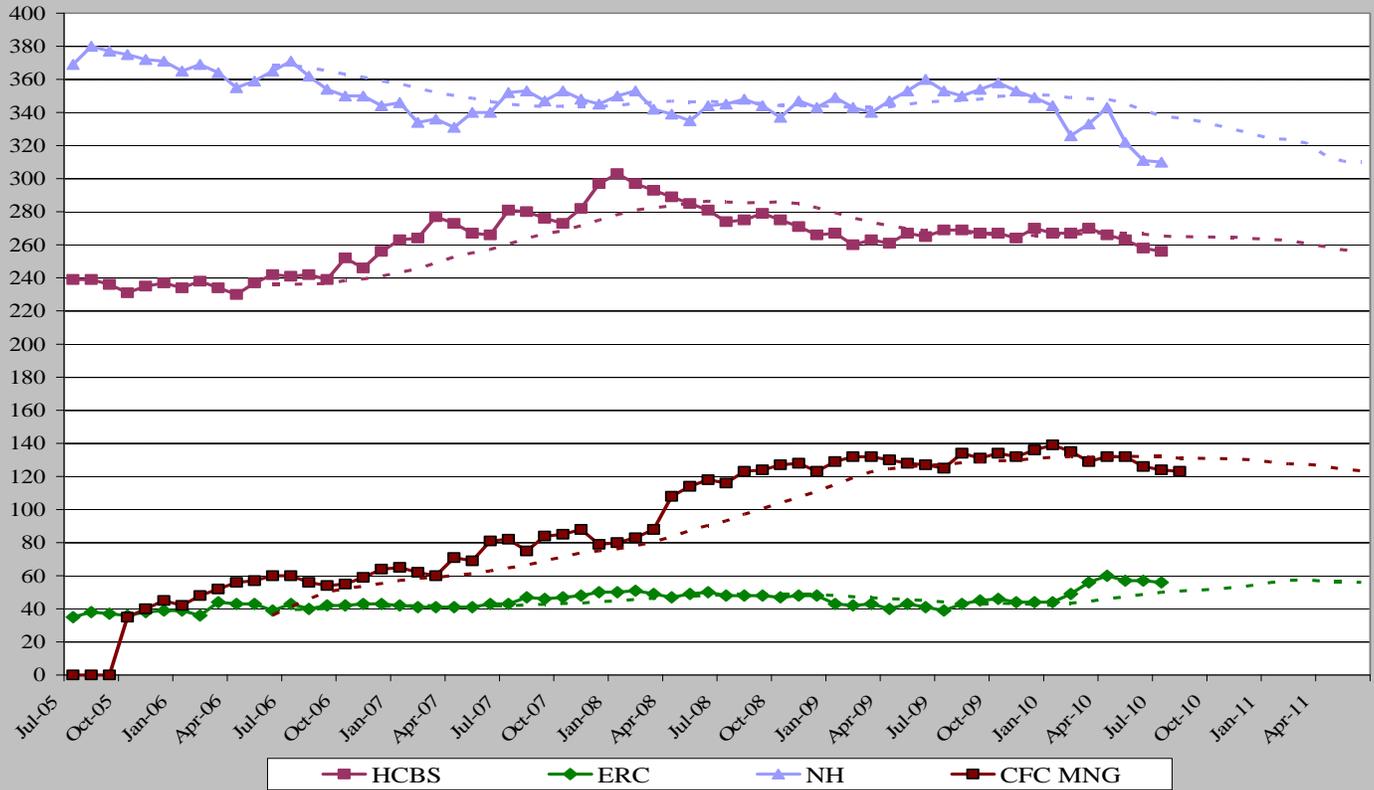
Numbers of People Receiving DDAS Services in Caledonia County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



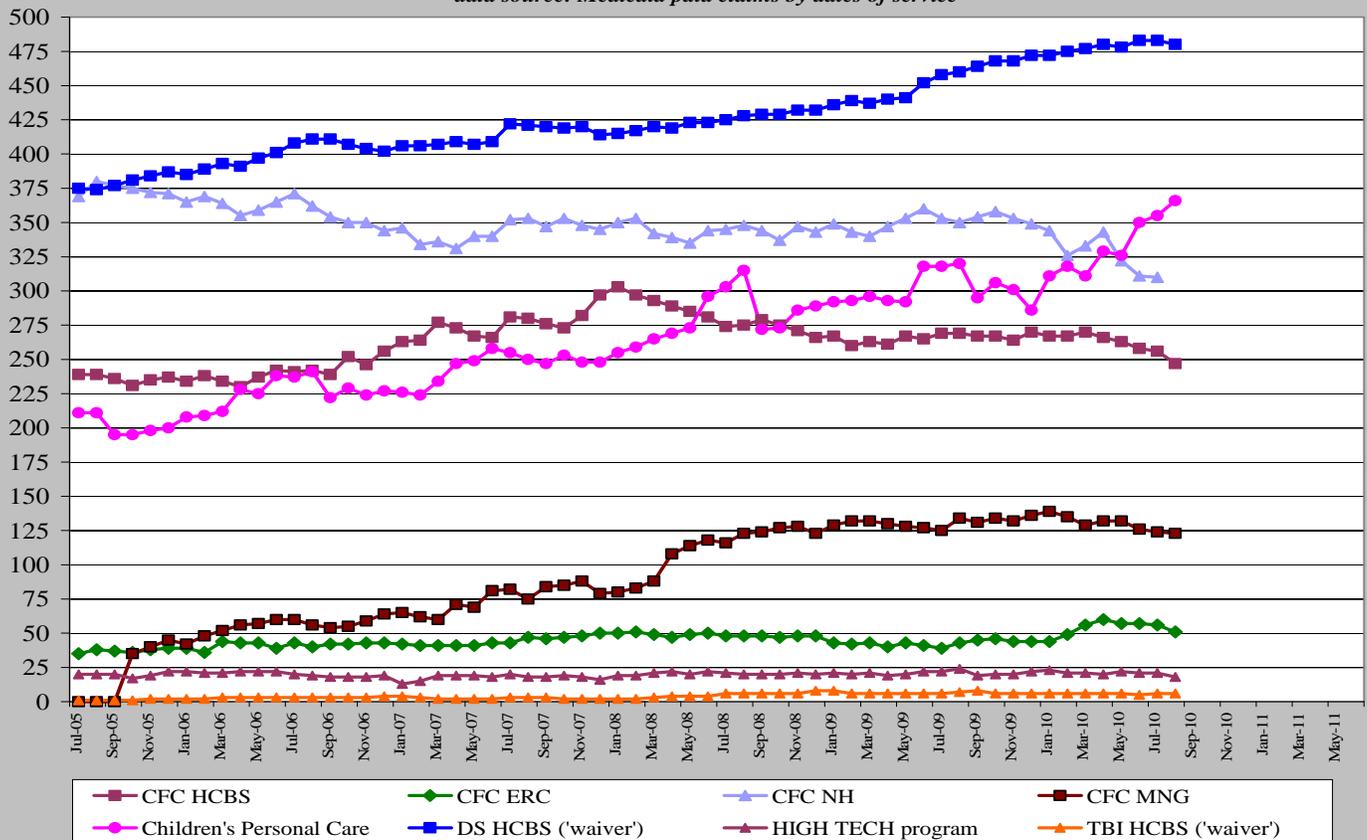
Chittenden County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



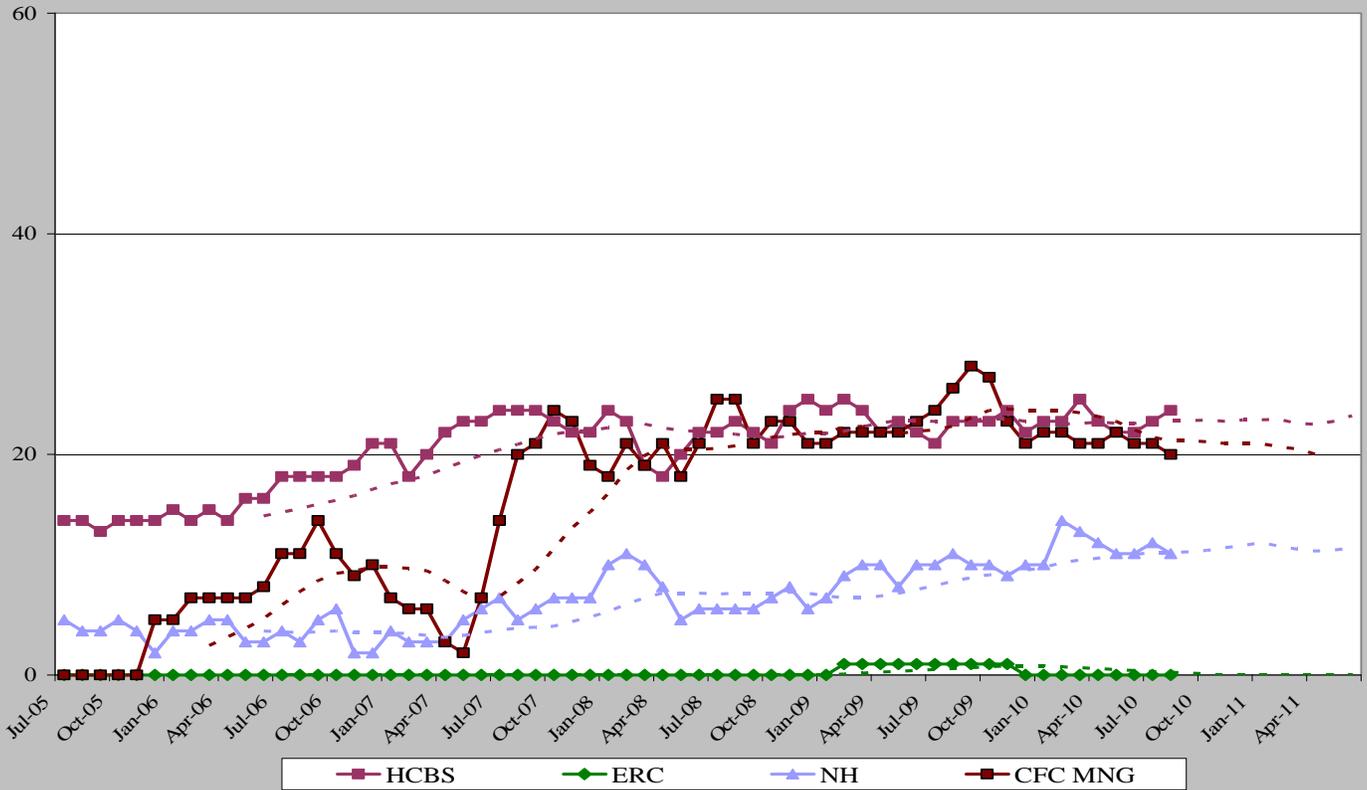
Numbers of People Receiving DDAS Services in Chittenden County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



Essex County: Choices for Care Participants by Setting, sfy2005 - sfy2011

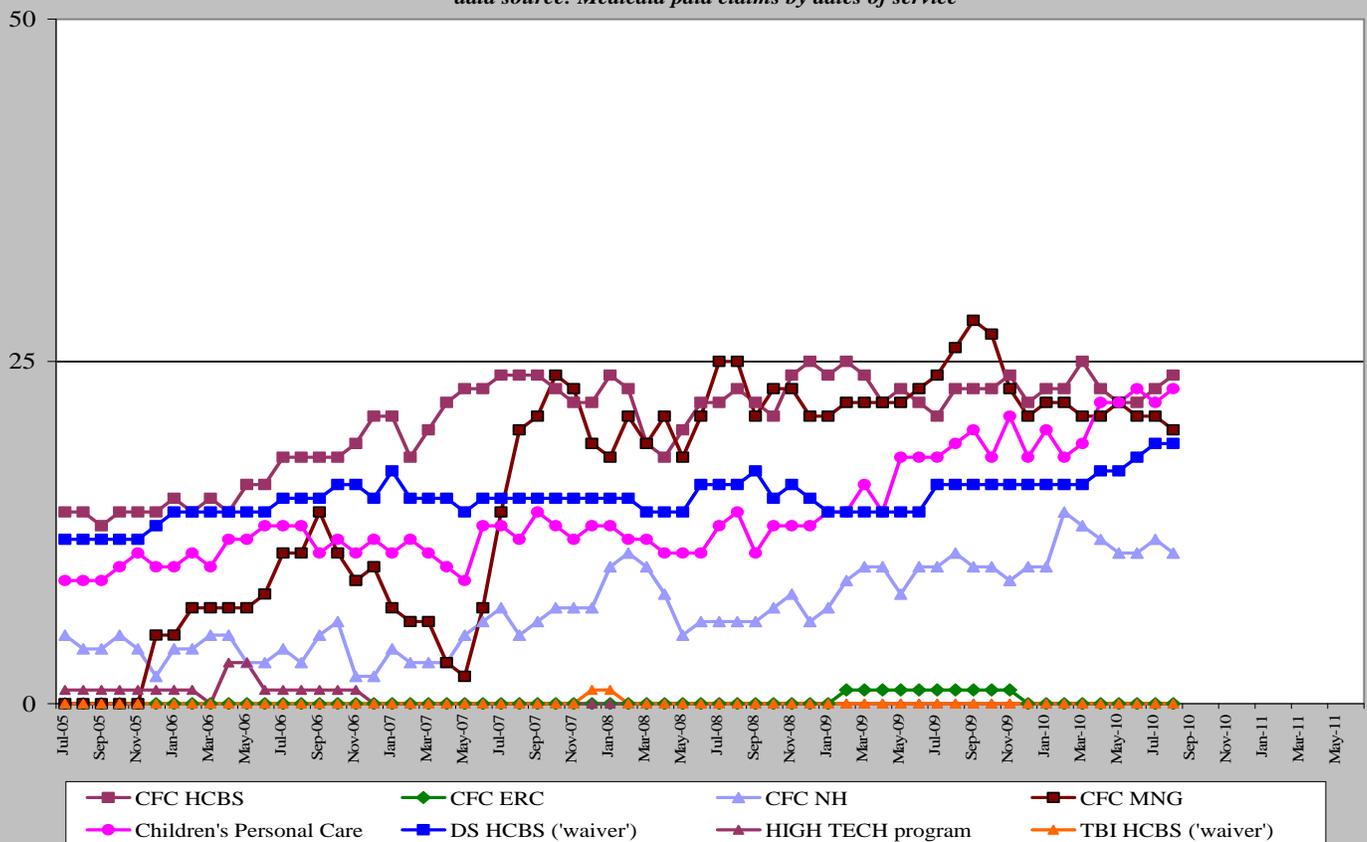
data source: HP, Medicaid paid claims by dates of service



Numbers of People Receiving DDAS Services in Essex County

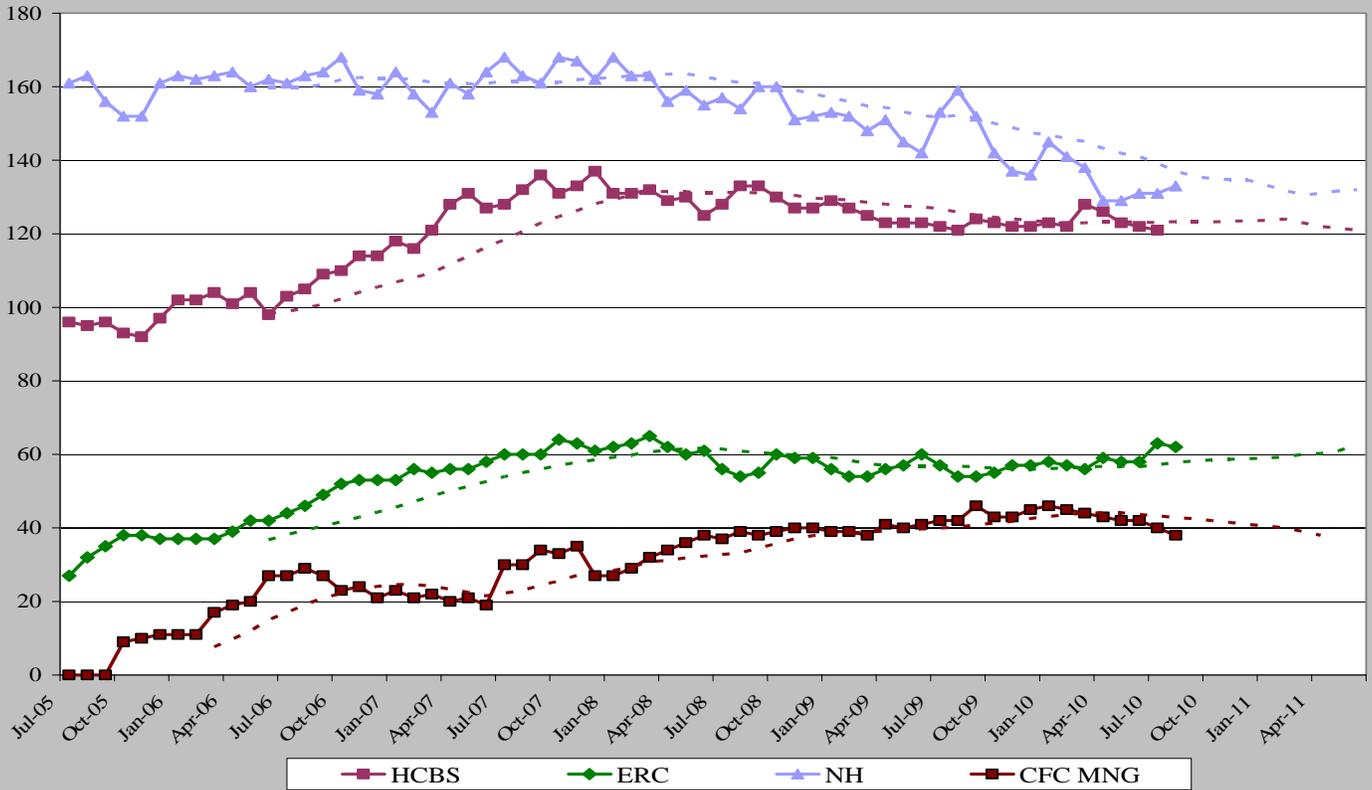
sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



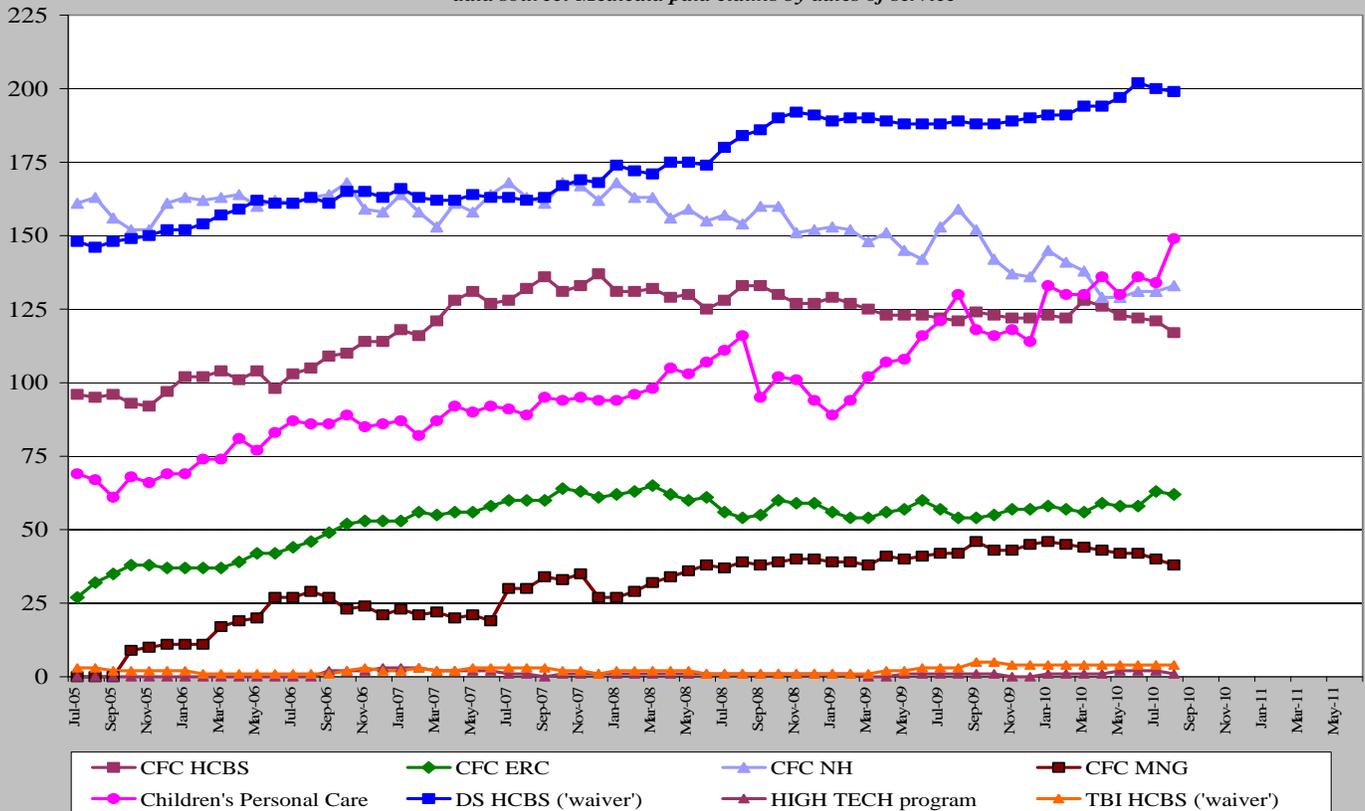
Franklin County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



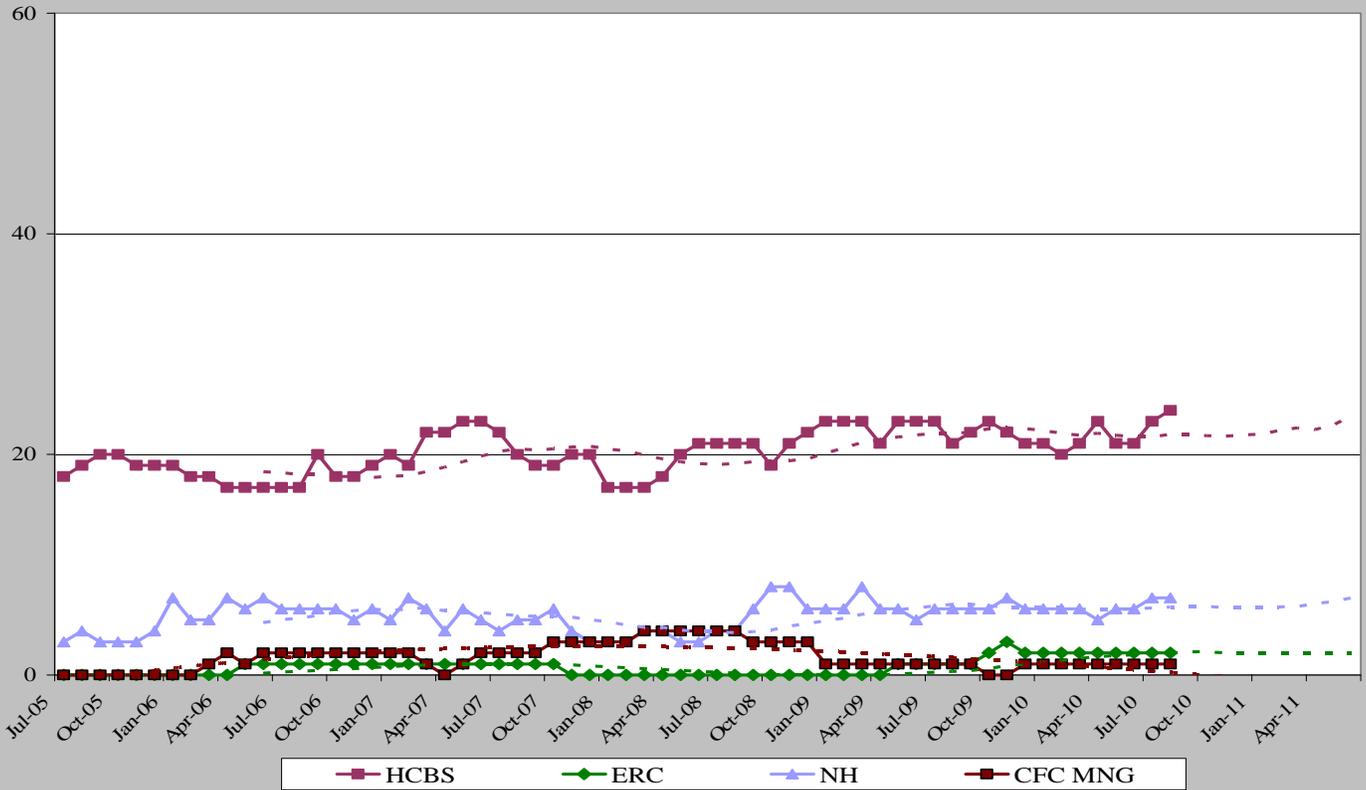
Numbers of People Receiving DDAS Services in Franklin County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



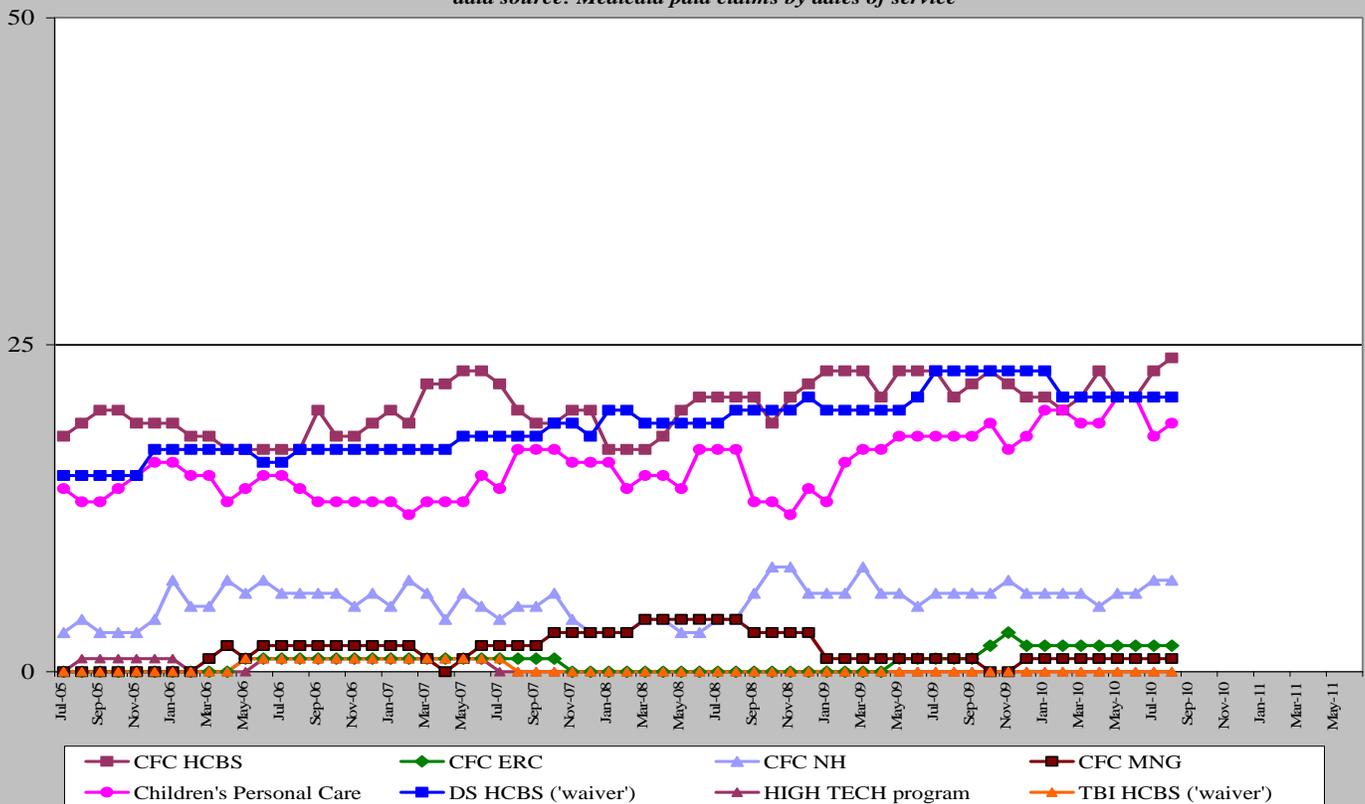
Grand Isle County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



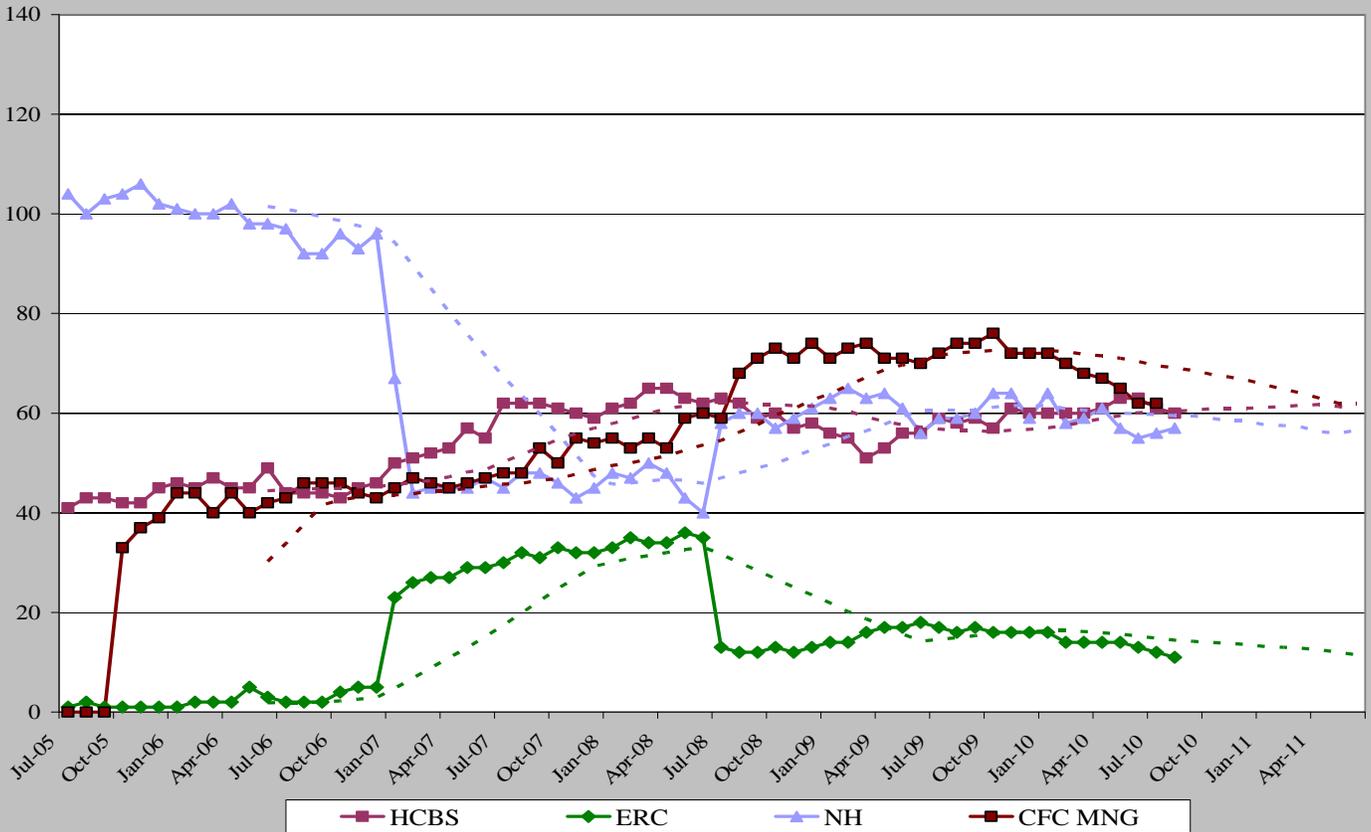
Numbers of People Receiving DDAS Services in Grand Isle County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



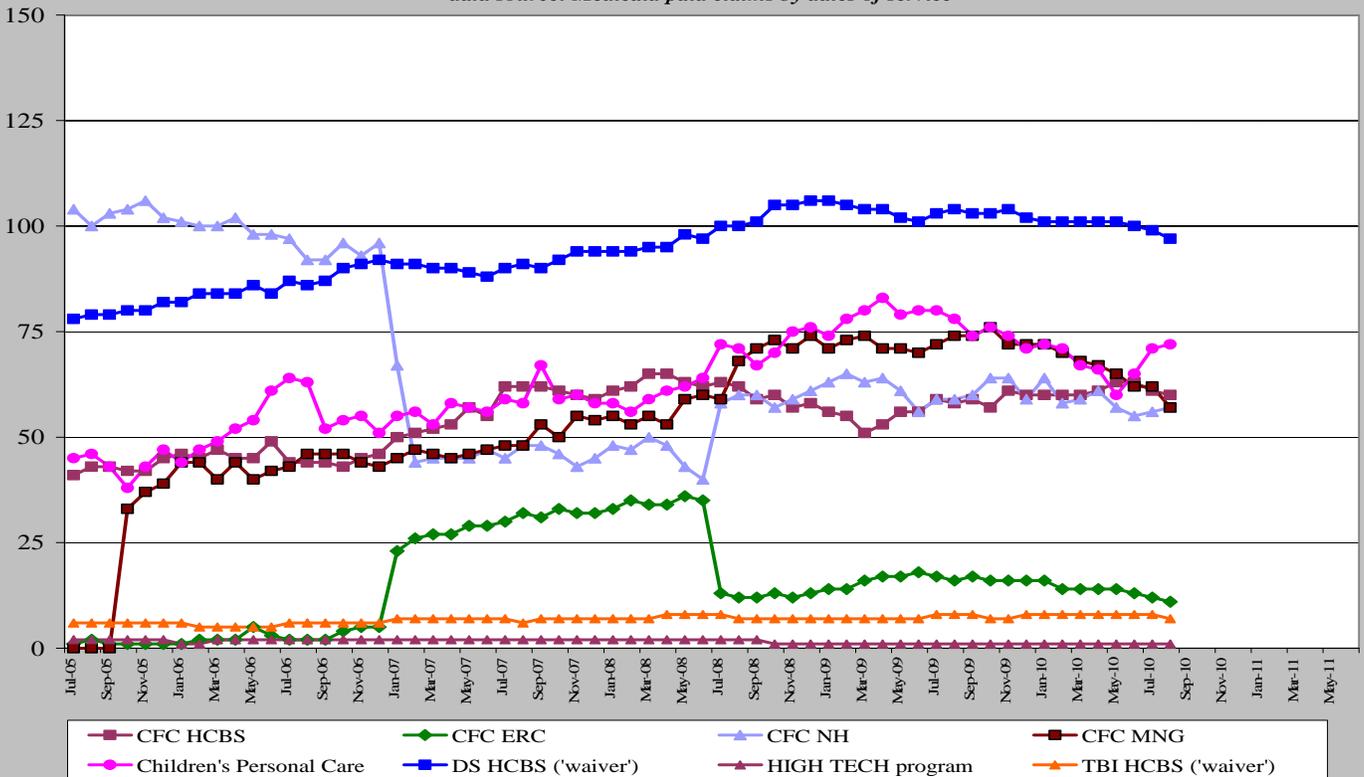
Lamoille County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



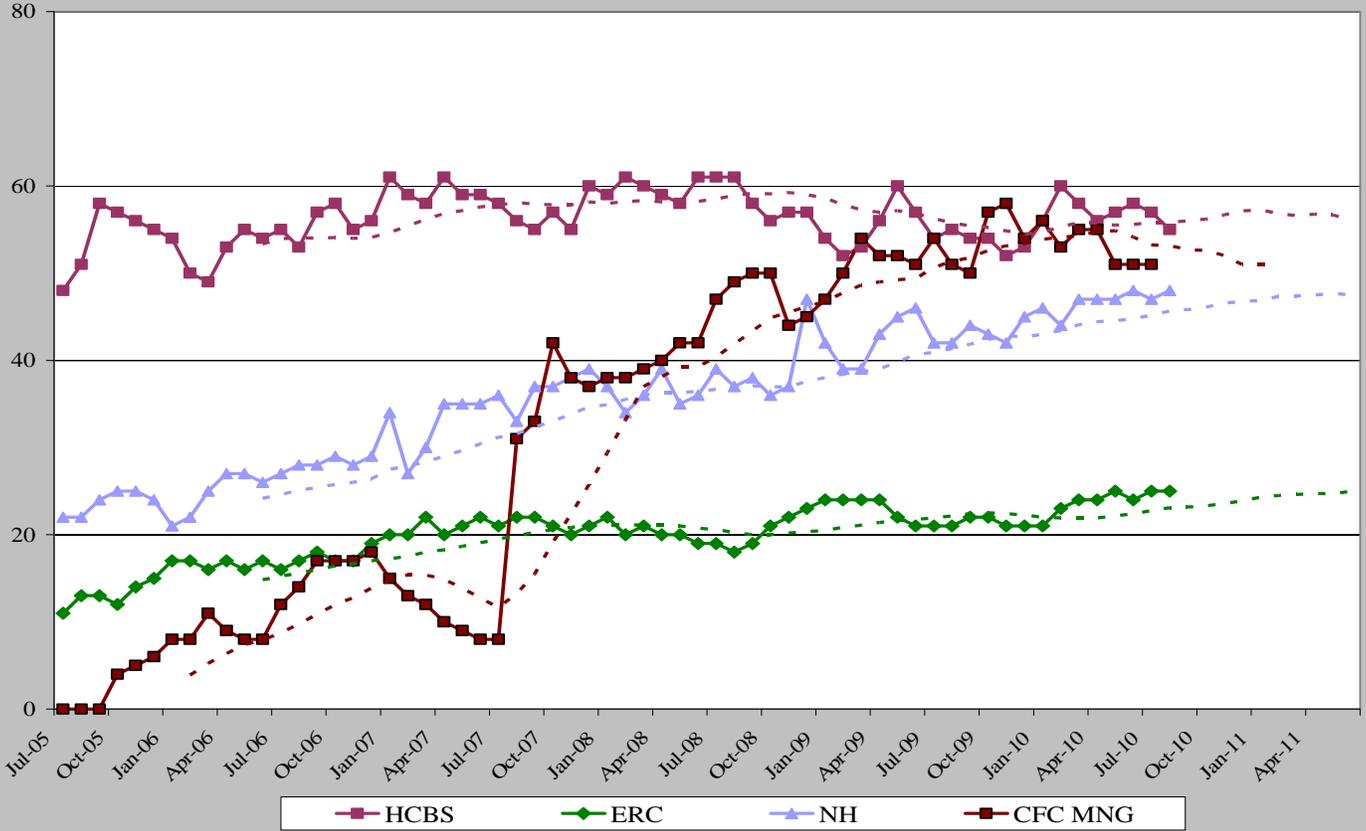
Numbers of People Receiving DDAS Services in Lamoille County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



Orange County: Choices for Care Participants by Setting, sfy2005 - sfy2011

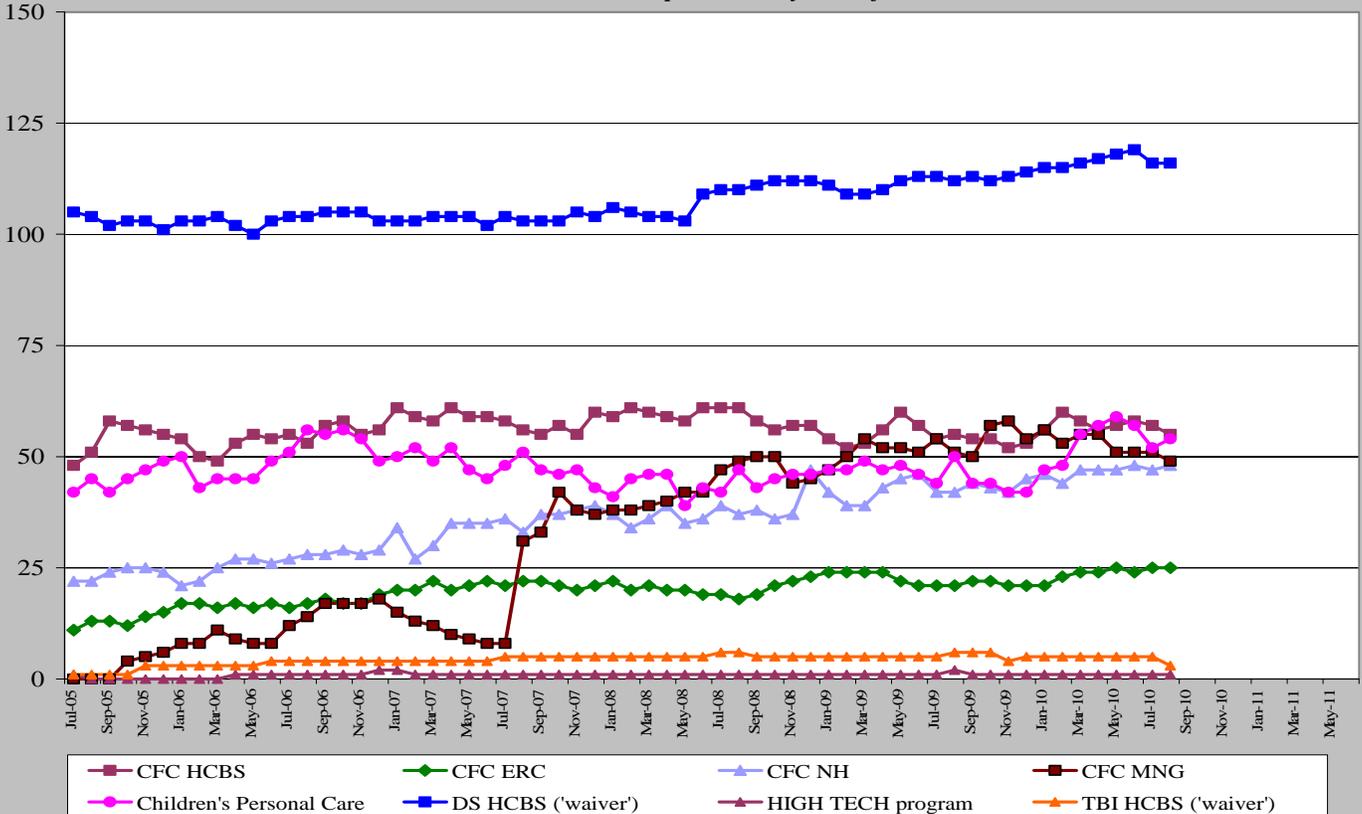
data source: HP, Medicaid paid claims by dates of service



Numbers of People Receiving DDAS Services in Orange County

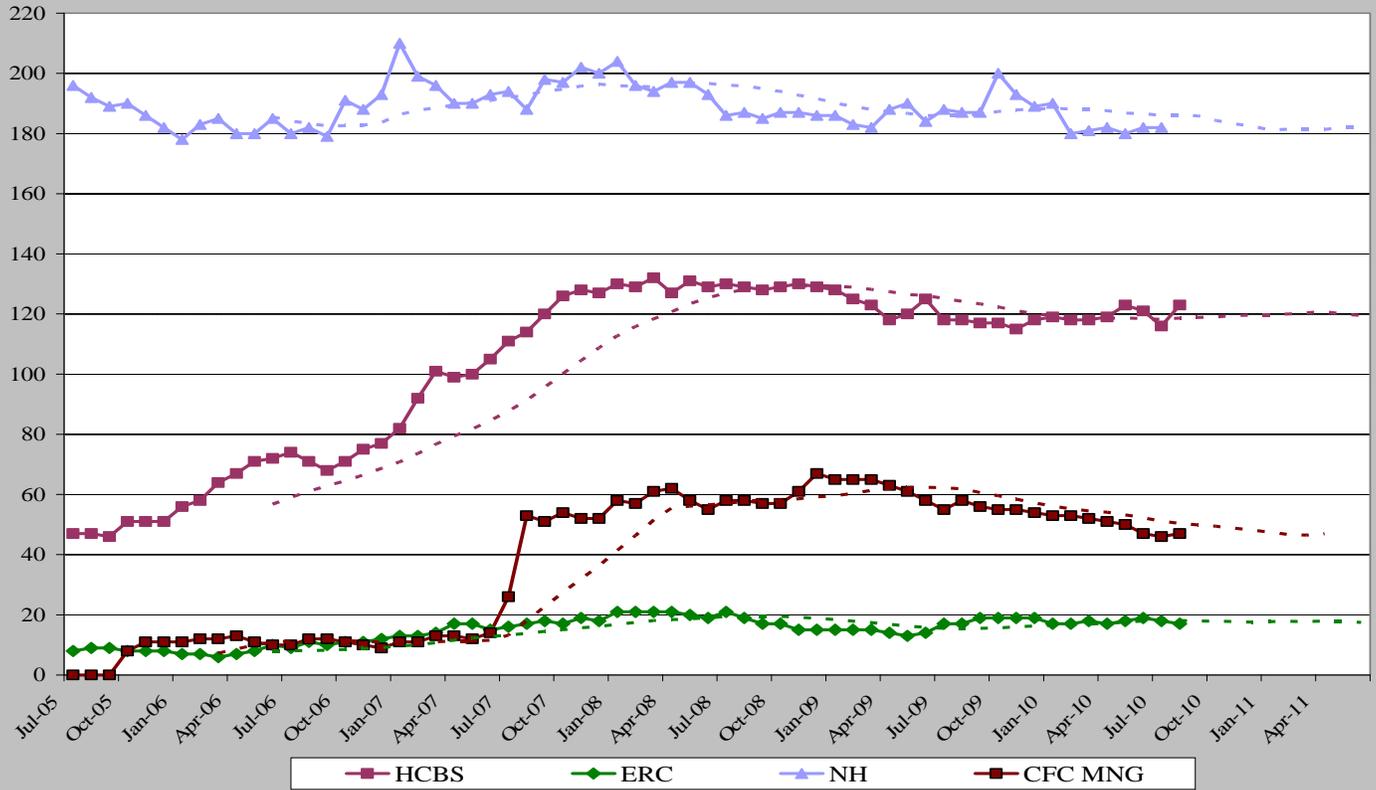
sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



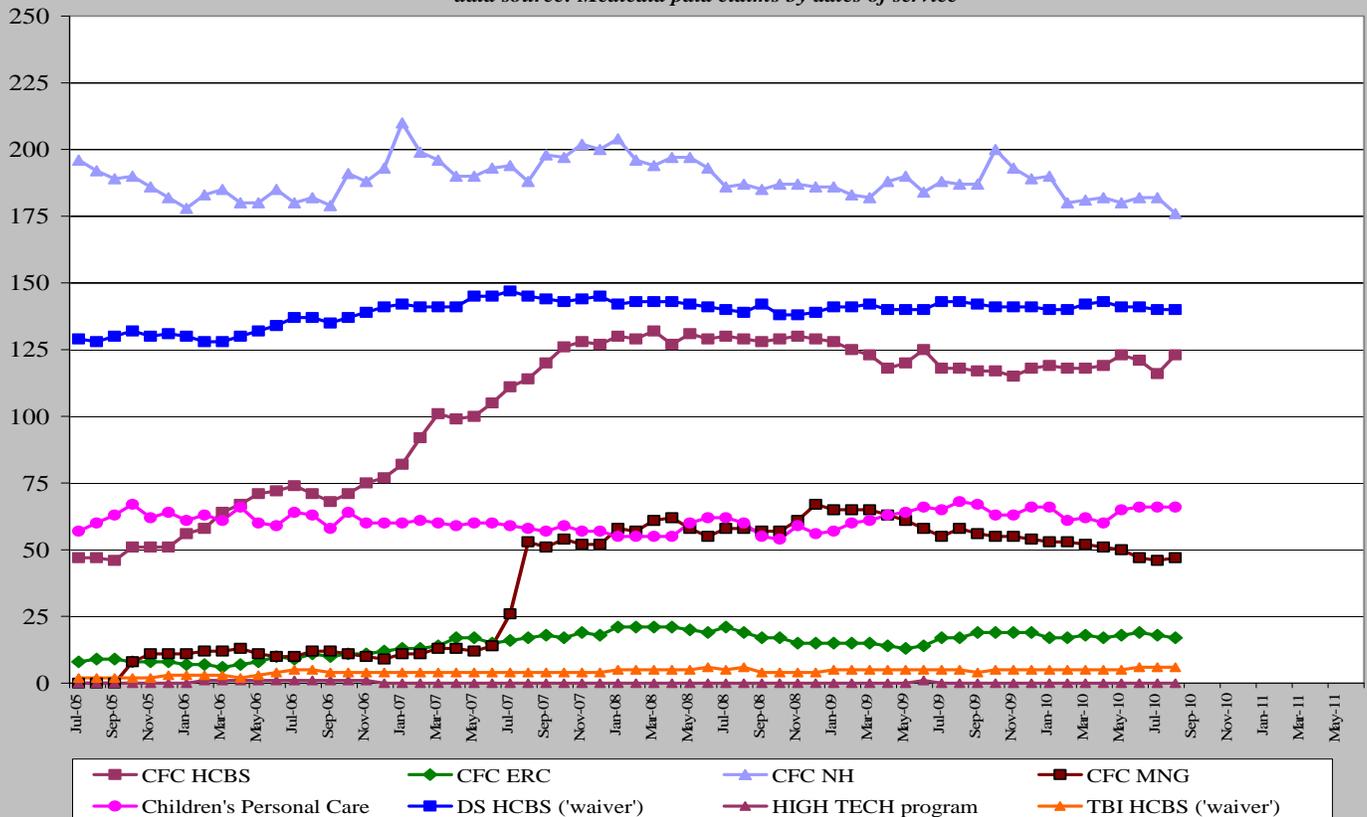
Orleans County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



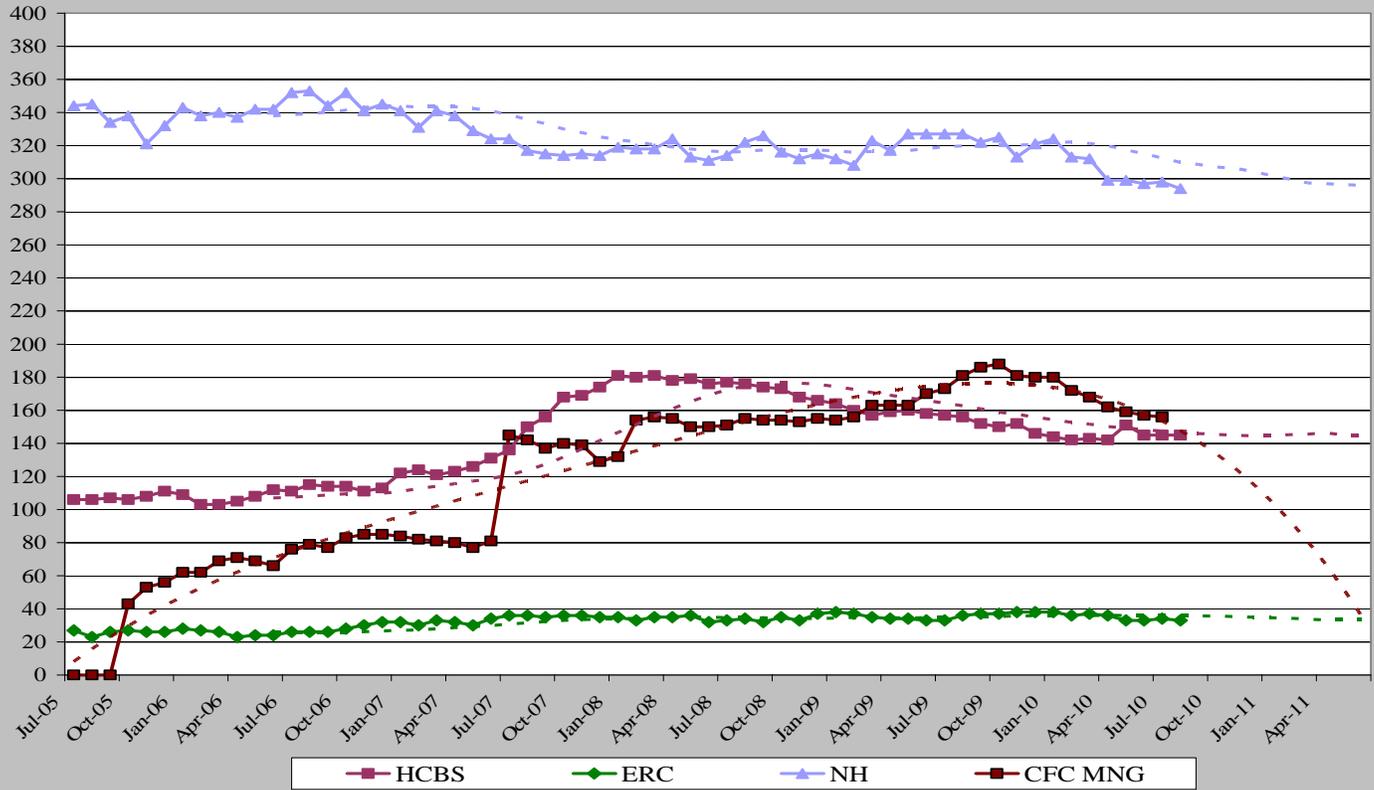
Numbers of People Receiving DDAS Services in Orleans County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



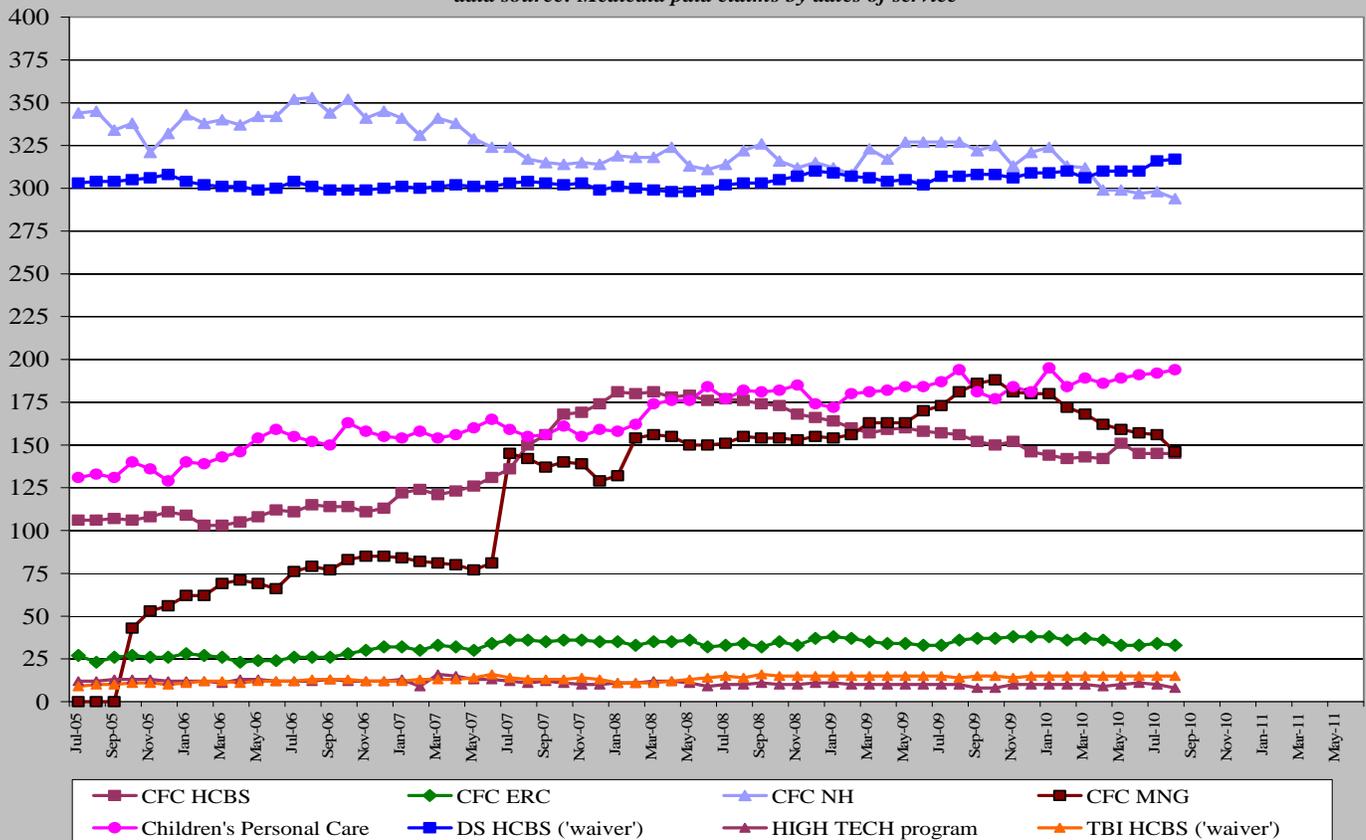
Rutland County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



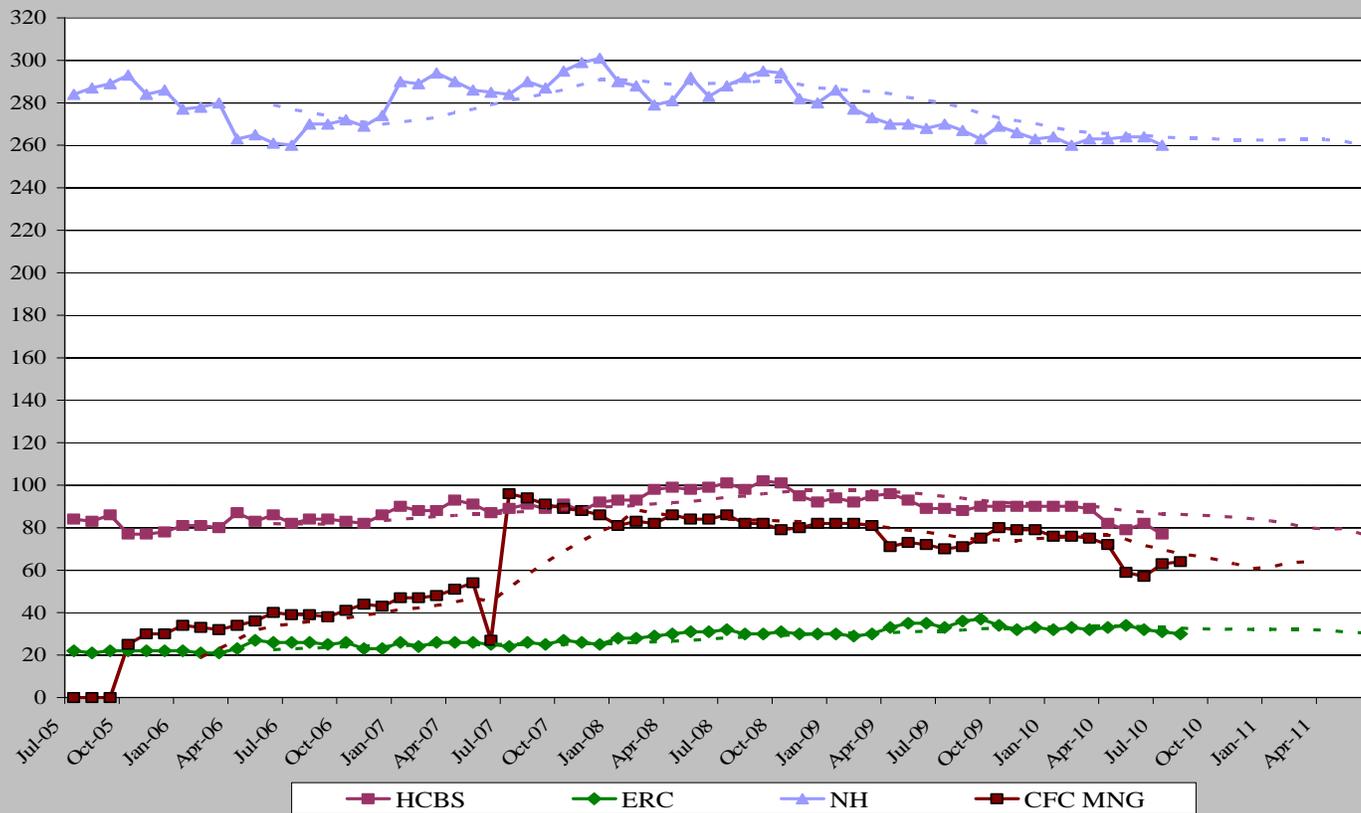
Numbers of People Receiving DDAS Services in Rutland County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



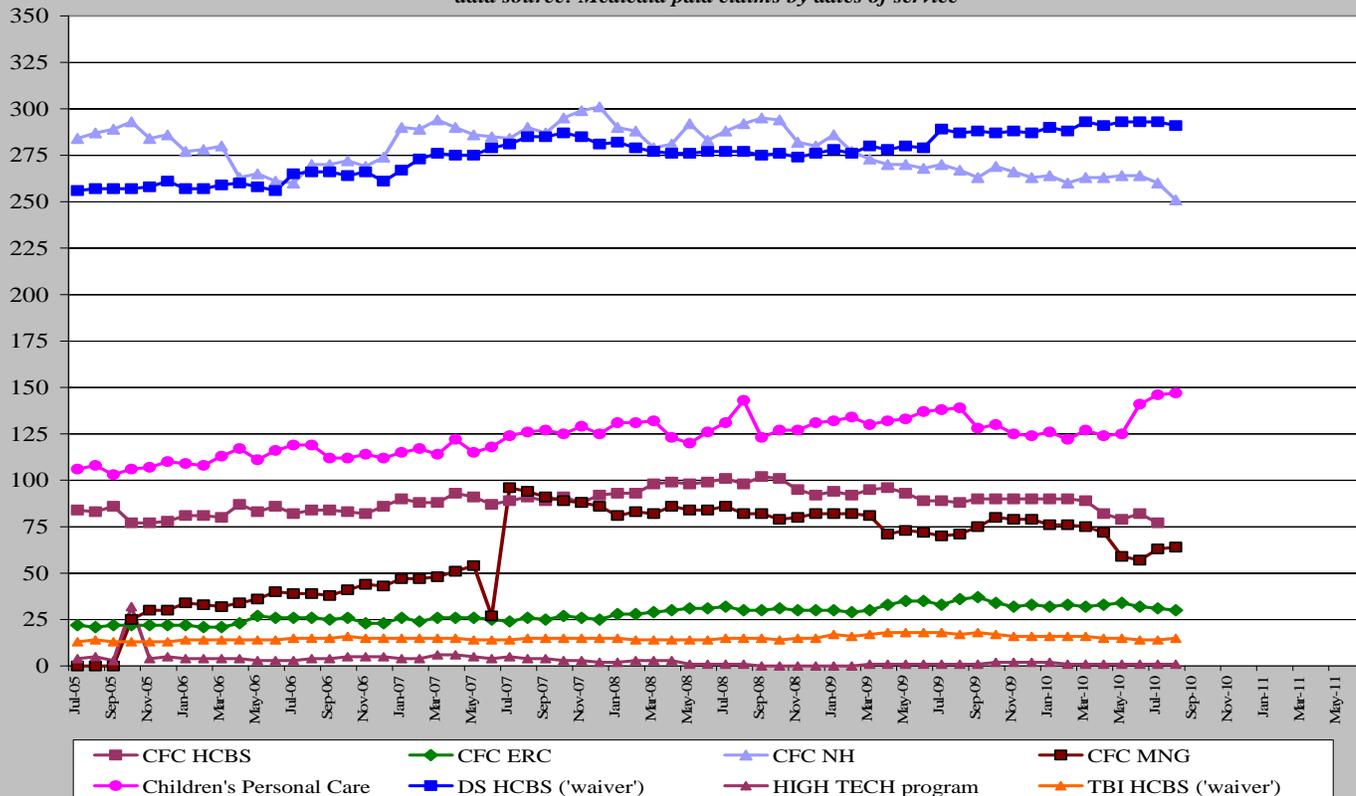
Washington County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



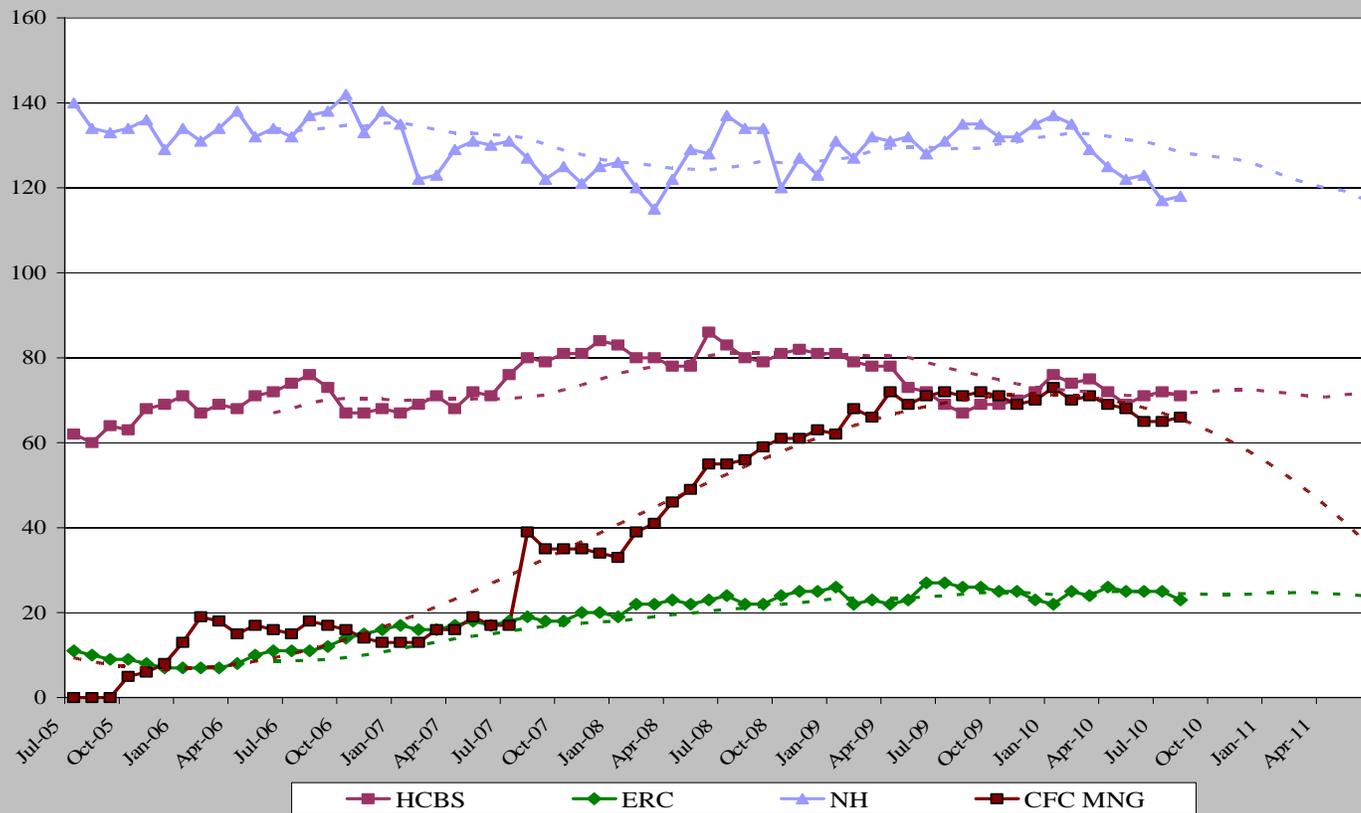
Numbers of People Receiving DDAS Services in Washington County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service



Windham County: Choices for Care Participants by Setting, sfy2005 - sfy2011

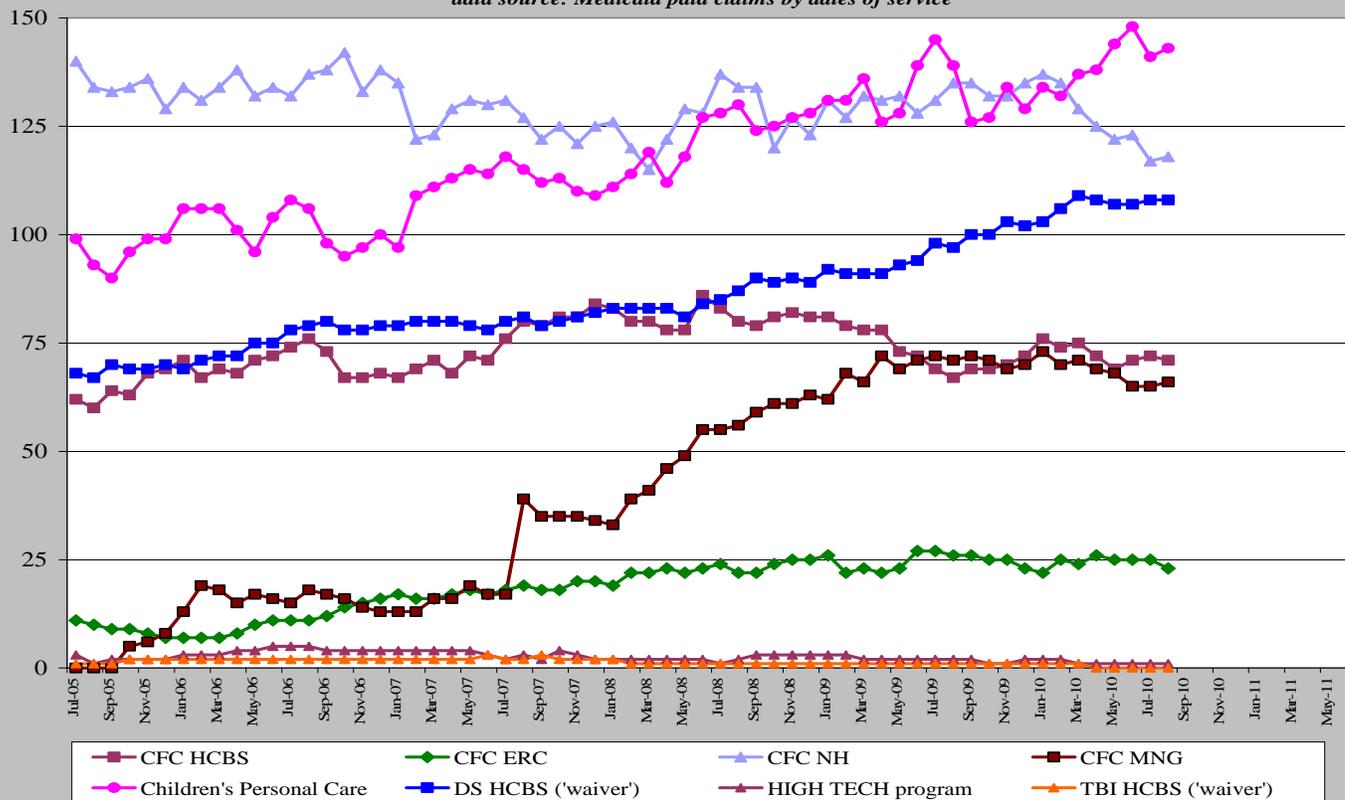
data source: HP, Medicaid paid claims by dates of service



—■— HCBS —◆— ERC —▲— NH - - - ■ - - - CFC MNG

Numbers of People Receiving DDAS Services in Windham County sfy2005 - sfy2011

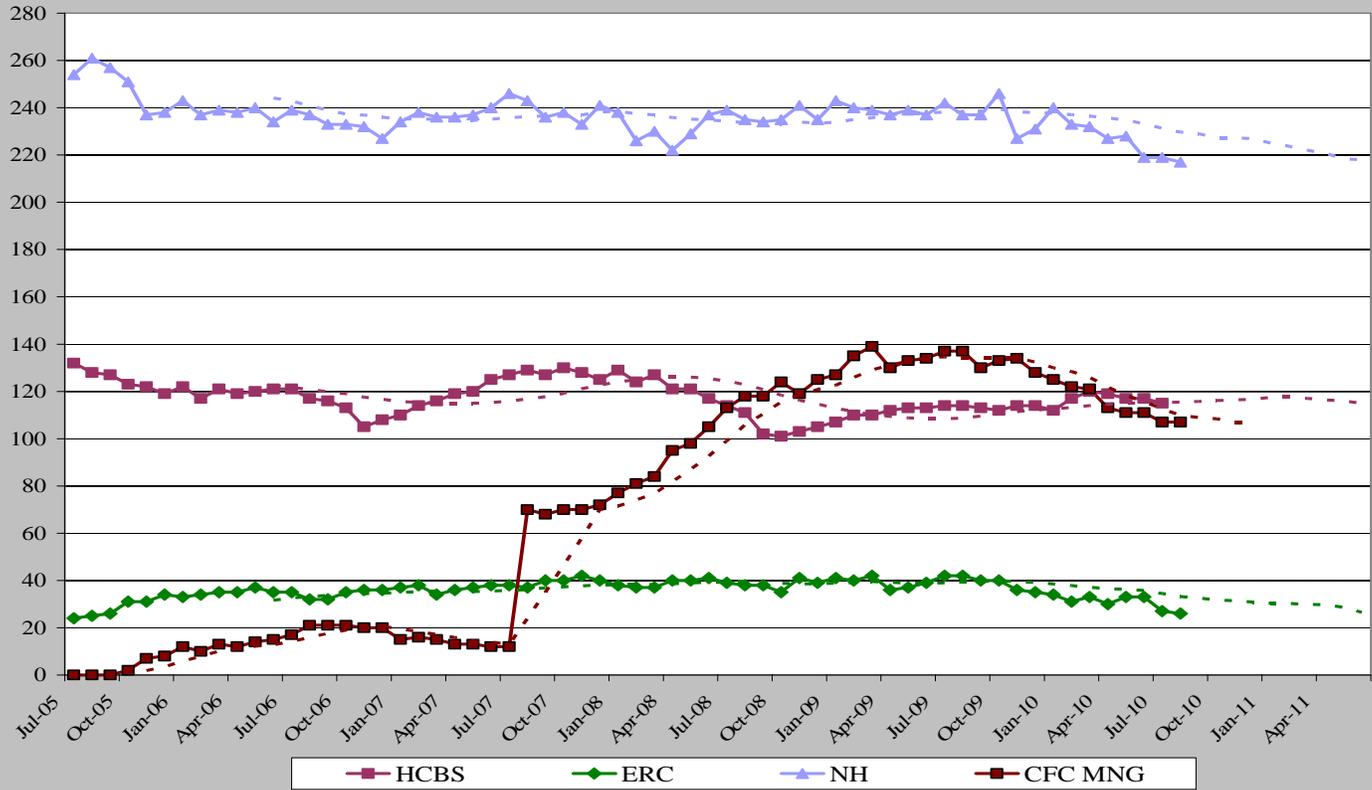
data source: Medicaid paid claims by dates of service



—■— CFC HCBS —◆— CFC ERC —▲— CFC NH - - - ■ - - - CFC MNG
 —◆— Children's Personal Care —■— DS HCBS ('waiver') —▲— HIGH TECH program —▲— TBI HCBS ('waiver')

Windsor County: Choices for Care Participants by Setting, sfy2005 - sfy2011

data source: HP, Medicaid paid claims by dates of service



Numbers of People Receiving DDAS Services in Windsor County sfy2005 - sfy2011

data source: Medicaid paid claims by dates of service

