

Attachment J

Vermont Budget Development Presentation

Cash and Counseling Retreat

April 2007

Allowance Development in Vermont's Flexible Choices Program

Merle Edwards-Orr
Cash and Counseling Annual Retreat
April 19, 2007
Annapolis, MD

Long-Term Care Medicaid - A Vermont Overview



- 1115 Choices for Care Waiver
 - Serves the aged and adult disabled
- Nursing Home and Community Options have Equal Weight
 - Residential options
 - Agency managed community option
 - Consumer-directed options
 - Flexible Choices

Two Questions

- 1) How do we determine the dollar values for services?
- 2) To discount or not to discount?



Dollar Values

CFC 895A 01/07

Vermont Department of Disabilities, Aging and Independent Living
Home-Based Service Plan

Participant Name: _____ Soc. Sec. # _____
(Please Print)

Address: _____
(Street/Box) Initial Assessment Reassessment Change
(Town) (State) (zip) Start Date: _____
Date of Birth: _____
Phone Number: _____ Diagnosis: _____
ICD9 Code: _____

DAIL UR

Service (✓ box)	Provider (write in provider name)	Hours of Service	Rates	Cost/Month
<input checked="" type="checkbox"/> Case Management	<input type="checkbox"/> AAA: <input type="checkbox"/> Home Health:	Up to: 48hrs/yr	\$65.00/hr	\$260.00
<input type="checkbox"/> Personal Care	<input type="checkbox"/> Home Health: <input type="checkbox"/> Consumer: Payroll Agent ARIS <input type="checkbox"/> Surrogate: Payroll Agent ARIS	Up to: hrs*2 weeks Up to: hrs*2 weeks Up to: hrs*2 weeks	\$24.16/hr \$11.32/hr \$11.32/hr	
<input type="checkbox"/> Adult Day	Provider:	Up to: hrs*2 weeks	\$12.00/hr	
<input type="checkbox"/> Respite Care	<input type="checkbox"/> Home Health: <input type="checkbox"/> Consumer: Payroll Agent ARIS <input type="checkbox"/> Surrogate: Payroll Agent ARIS <input type="checkbox"/> Adult Day: <input type="checkbox"/> Nursing Home: <input type="checkbox"/> Res. Care Home:	Up to: hrs/year Up to: hrs/year Up to: hrs/year Up to: hrs/year Up to: days/year Up to: days/year	\$20.00/hr \$9.64/hr \$9.64/hr \$12.00/hr Medicaid Daily Rate \$88/day	
<input type="checkbox"/> Companion	<input type="checkbox"/> Home Health: <input type="checkbox"/> Senior Comp. Program <input type="checkbox"/> Consumer: Payroll Agent ARIS <input type="checkbox"/> Surrogate: Payroll Agent ARIS	Up to: hrs/year Up to: hrs/year Up to: hrs/year Up to: hrs/year	\$20.00/hr \$7.52/hr \$9.64/hr \$9.64/hr	
<input type="checkbox"/> Personal Emergency Response	<input type="checkbox"/> Installation/First Month: <input type="checkbox"/> Ongoing:		Up to \$55 one-time Up to \$30/month	
<input type="checkbox"/> Assistive Device/Home Mod.	Item/Service: (\$750 calendar year max /attach addendum)		Total: \$	
<input type="checkbox"/> ISO Employer Support Services	Payroll Agent ARIS: For all Consumer and Surrogate Directed		\$43.00 mo.	
*Multiply bi-weekly hours by the hourly rate, then by 2.15 to determine monthly cost.				Total Monthly Cost: _____

- Existing Home Based Service Plan includes dollar values for each service
- Most services were available to all regardless of specific needs.

Vermont Department of Disabilities, Aging and Independent Living

Home-Based Service Plan

Participant Name: _____ (Please Print) Soc. Sec. # _____ - _____ - _____

Address: _____
(Street/Box)_____
(Town) (State) (zip)

Phone Number: _____

 Initial Assessment Reassessment Change
Start Date: _____

Date of Birth: _____

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DAIL UR _____

Service (✓ box)	Provider (write in provider name)	Hours of Service	Rates	Cost/Month
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<input type="checkbox"/> Adult Day	Provider:	Up to: hrs/*2 weeks	\$12.00/hr	
<input type="checkbox"/> Respite Care Not to exceed 720 hrs/calendar year (combined with Companion).	<input type="checkbox"/> Home Health: <input type="checkbox"/> Consumer: Payroll Agent ARIS <input type="checkbox"/> Surrogate: Payroll Agent ARIS <input type="checkbox"/> Adult Day: <input type="checkbox"/> Nursing Home: <input type="checkbox"/> Res. Care Home:	Up to: hrs/year Up to: hrs/year Up to: hrs/year Up to: hrs/year Up to: days /year Up to: days /year	\$20.00/hr \$9.64/hr \$9.64/hr \$12.00/hr Medicaid Daily Rate \$88/day	
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<input type="checkbox"/> ISO Employer Support Services	Payroll Agent ARIS: For all Consumer and Surrogate Directed		\$43.00 mo.	

*Multiply bi-weekly hours by the hourly rate, then by 2.15 to determine monthly cost.

Total Monthly Cost:

Crunching the Numbers

<u>Services Available to All</u>	<u>Annual Value</u>
● Case Management	\$3,120
● Respite	\$6,941
● Devices/Home Mods	\$ 750
● “Lifeline”	\$ 360
● Fiscal Agent	\$ 516
● Annual Total	\$11,778
● Bi-Weekly Base	\$453

An Aside

- While working on the presentation, I discovered an arithmetic error. The base should be \$449.50. There you are.



Adding in Personal Care Hours



- Number of personal care hours based on assessment
- Bi-weekly value of personal care hours added to base at rate of \$11.32/hour
- E.g., 20hrs/2 weeks = \$226.40 so total allowance = \$679.40

To Discount or Not to Discount?

Pro

- Median expenditure for consumer-directed services in Choices for Care is 75% of value of authorized services
- Flexible Choices consumers will probably spend more than 75% on average
- An undiscounted allowance could threaten the fiscal viability of the program



To Discount or Not to Discount?



Con

- 30% of consumer-directed participants spend over 95% of their authorized services
- A discount rate is, on the face of it, unfair
- Could negatively affect enrollment

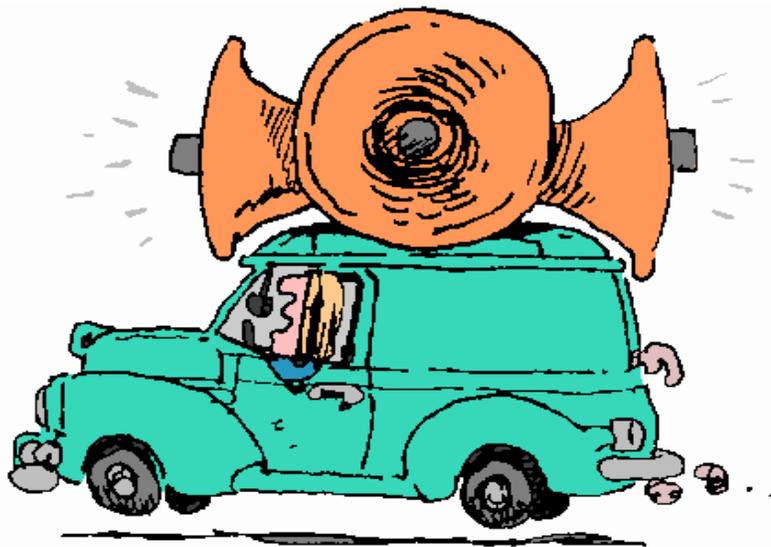
And the Winner Is...

A discount rate

- Decision to discount by 15%
 - Low enough to prevent fiscal meltdown
 - High enough to not affect enrollment
- The \$679.40 in the example would be \$577.49



Messages for Consumers



- Increased flexibility
– now get the stuff you *really* need
- Try it! You'll like it!
- Don't like it? It's easy to go back.

What Consumers Heard

- Consumers knew the value of their current plan
- Consumers consistently asked how we calculated the allowance
- Consumers perceived – correctly or not – that they were using all their hours



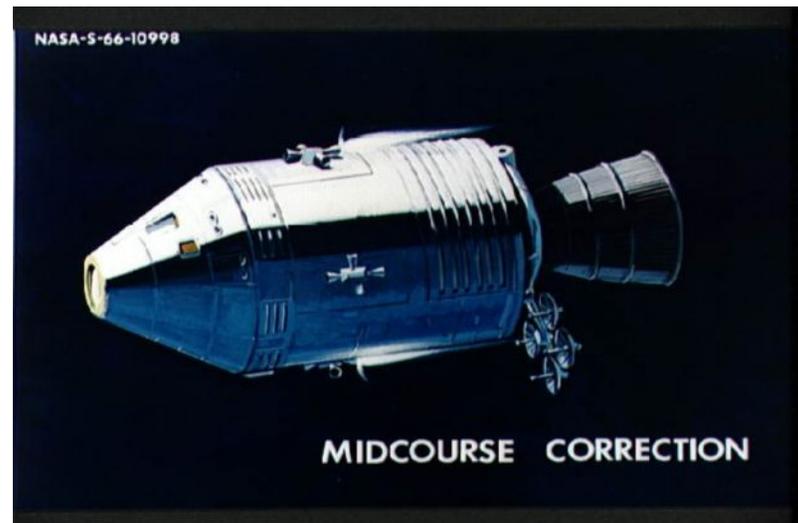
And the Result Was...



- **Nobody Enrolled**
- Program Launched July, 2006
- 5 enrollees by December
- 2/3 of those who expressed interest but did not enroll said it was because of the discount

Re-evaluating the Discount

- *Very* preliminary data suggested Flex Choices participants were not spending 100%
- Decision to rescind discount on 1/28/07
- Enrollment has increased 4 fold in 6 weeks. Enrolling as fast as we can



Next Steps

- Enroll a pilot group of 50
 - Group enrolled by June, 2007
- Analyze expenditure data
 - MIS vs. F/EA date
- *Very preliminary analysis shows expenditure rate of ~90%*
- Flexible Choices option for Children's Personal Care will also tell us about utilization.

Questions/Comments?



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