



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: VERMONT

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

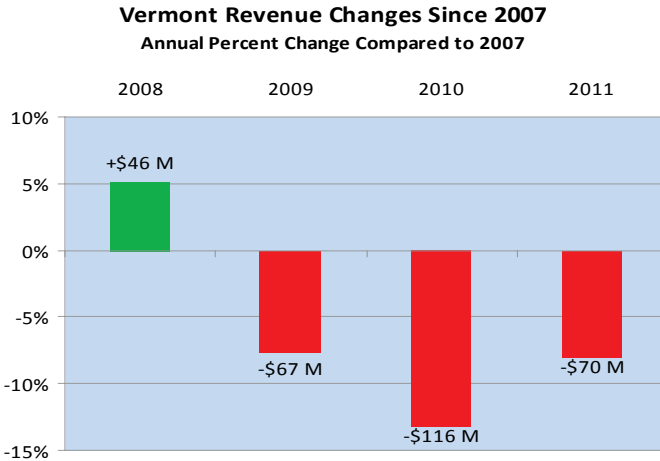
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

VERMONT

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Vermont may consider what changes are possible after the ARRA enhanced FMAP extension expires, including eligibility, elimination of programs or services, reductions in service caps, and reductions in reimbursement rates.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Programs will be reduced and eliminated.
- Waiting lists will increase.
- Too soon to tell.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
19,969	19,969	19,969	0%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
5% or less	Don't Know

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	+	+	0
Adult Day Care	0	-	+
Adult Protective Services*	0	0	+
Assisted Living	-	0	+
Behavioral Supports	+	+	+
Case Management	-	0	+
Chore	0	0	+
Community Transition	0	0	DK
Congregate Meals	+	-	+
Day Habilitation	+	+	0
Disease Prevention/Health Promotion	0	0	+
Elder Abuse Prevention	0	0	+
Environmental Modifications	0	0	0
Equipment and Supplies	0	0	+
Family Caregiver Support	0	0	+
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	NA	NA	DK
Homemaker	-	0	+
Home-Delivered Meals	+	-	+
Housing Assistance	NA	NA	+
Information and Referral	0	0	+
Legal Assistance Development	0	0	+
LIHEAP			+
Long-Term Care Ombudsman	-	0	+
Nutritional Supplements	NA	NA	DK
Occupational Therapy	NA	NA	DK
Personal Care/Assistance	0	0	+
Physical Therapy	NA	NA	DK
Recreational Therapy	NA	NA	DK
Residential Habilitation	NA	NA	DK
Respite	0	0	+
Senior Community Service Employment Program	+	+	0
Senior Centers	NA	NA	+
Speech Therapy	0	0	DK
State Adult Guardianship Program	0	0	DK
State Pharmaceutical Assistance	NA	NA	+
Supported Employment	+	+	DK
Supported Living	0	0	DK
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services (APS), e.g., financial exploitation and neglect.

- The state has also seen a significant increase in the number of APS calls regarding drug diversion cases, e.g., people taking older persons' prescription drugs for recreational purposes

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STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$4,350,000	\$4,731,000	\$4,600,000	9%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009–2010
Choices for Care HCBS (highest/high needs)	1,428	1,395	1,395	-2%
Choices for Care Enhanced Residential Care	329	340	340	3%
Choices for Care HCBS (moderate needs)	1,069	1,109	1,000	4%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census	2,000		Decrease	

- Choices for Care (CFC) is a 1115 waiver inclusive of all long-term services and supports (LTSS) settings and services. The census includes “freezes” on new enrollments for the high-needs group and the moderate-needs group. These freezes have been and currently are imposed.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$54,944,628	\$57,504,395		5%
Medicaid LTSS State Plan				
Nursing Facility	\$116,908,118	\$116,720,462		0%

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home*	+ and -	+ and -
Home Health*	-2%	DK
Personal Care Services	-2%	DK
HCBS Waiver Services	-2%	DK
Medicaid services	-2%	DK
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- Nursing facility rate changes vary by facility based on rate-setting methodology impact. They were not given full inflationary increases and submitted two requests for emergency financial relief.



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- Several home health agencies have stated their intent to end provider status for Choices For Care home and community-based services (HCBS) due to rate changes.

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program			X	
Community First Choice Option				X
Money Follows the Person Demonstration				
1. Apply for new program			X	
2. Apply for extension of existing program				
Medical/Health Home Initiative				
1. Agency applying for planning grant				X
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Seek efficiency and quality of services.
- Support and expand consumer direction.
- Develop adult foster care option.

STATE ISSUES

- Need for savings to be achieved in SFY 2011 and SFY 2012 through the 2009–2010 "Challenges for Change" legislation, which authorized a plan to make Vermont government and services more effective so better results are delivered at lower costs to taxpayers. Reduced state staff. Implementation of performance-based grants that will allow the creation of better methods for providing government services, while spending less money and still achieving specified goals.

STATE PROMISING PRACTICES

- Choices for Care, Vermont's 1115 LTSS Medicaid waiver, which allows individuals to choose the setting for LTSS and has reduced the use of nursing facilities.
- Development, implementation, and expansion of Aging and Disability Resource Centers.
- Promotion of the use of local foods in Older Americans Act nutrition programs.
- Accomplishments with nursing home diversion groups, now the Community Living Program, which assists individuals at risk of nursing facility placement and spend-down to Medicaid to live in their communities.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Vermont's fiscal year begins July 1 and ends June 30.