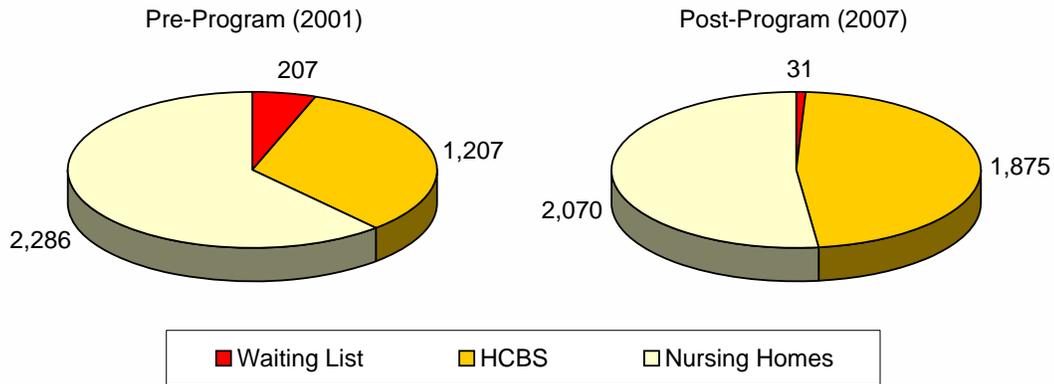


State Long-Term Care Reform in
VERMONT

Medicaid Long-Term Care Participants in Vermont, Before and After Implementation of the Choices for Care Program



Since 2005, Vermont has provided its Medicaid long-term care (LTC) services under a unique 1115 waiver that combines Medicaid home and community-based services (HCBS) waiver funds with the state’s nursing home appropriation in a “global budget,” called “Choices for Care.” Prior to implementation of the Choices for Care Program (described in more detail on the next page), 2,286 people were in nursing homes, 1,207 were receiving HCBS, and 207 people were on a waiting list.

Type of Service	Medicaid Participants		Spending on Services
	2001	2007	% Growth, 2000 to 2005
HCBS	1,207	1,875	+154%
Nursing Homes	2,286	2,070	+32%

As of December 2007, the number of residents in nursing homes decreased from 2,286 to 2,070, while the number of people receiving HCBS increased from 1,207 to 1,875. As of April 2008, 31 people are on a waiting list for services. Spending for HCBS in Vermont grew by 154 percent between 2000 and 2005, compared to 32 percent for nursing homes. However, in 2007, Vermont still provided services to more people in nursing homes than in to people receiving HCBS.¹

¹ This profile is excerpted from the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

Major Initiative

Vermont uses a Section 1115 Medicaid waiver demonstration program, called “Choices for Care,” which restructures Medicaid LTC services by offering eligible older persons a choice between nursing home care and HCBS. It is the only state in which eligible individuals are entitled to HCBS on the same basis as they are to nursing home care.

Three beneficiary groups have been created under the program: Highest Need, High Need, and Moderate Need, with only the Highest Need category entitled to either nursing home or HCBS care. The High Need group receives services as funds are available, but with no entitlement to such services. The Moderate Need group includes people who are at risk of nursing home admission, but do not meet nursing home or HCBS waiver criteria; they receive services only if funding is available. The waiver limits the amount of federal funding available to the state over five years, but does give the state more flexibility in spreading the LTC funds between institutional and community care.

“Choices for Care”

Choices for Care—a Section 1115 Medicaid waiver demonstration—puts nursing home services on equal footing with HCBS by allowing consumers to choose where services are delivered.

Other Developments

Managed Long-Term Care. The Vermont Department of Disabilities, Aging and Independent Living received a \$2.1 million federal Real Choice Systems Change grant (Health and Long Term Care Integration Project) in 2005 to help develop a capitated, integrated Medicare-Medicaid system for acute, primary, and LTC for older persons and adults with physical disabilities. The Department has made planning grants available to several provider organizations to develop the model further.

Supportive Housing. The state received a \$900,000 supportive housing planning grant in 2004 under the Real Choice Systems Change grant program to preserve, develop, and enhance 10 supportive housing projects.

PACE. The state also used the \$900,000 grant described in the paragraph above to open its first Program of All-Inclusive Care for the Elderly (PACE) center in 2006 and was planning to open another such facility in the fall of 2007. PACE is a managed care program with capitated benefits that integrates Medicare and Medicaid financing. PACE participants must be 55 years old or older, live in the PACE area, and be nursing home-eligible.

Cash and Counseling. Vermont’s Cash & Counseling Program, Flexible Choices, began enrollment in summer 2006. The Flexible Choices program seeks to expand HCBS options to consumers by providing them with an allowance to manage and budget their LTC services. The program enrolled 50 participants during its first year and is projected to have 250 participants.