



Persons in the “moderate need” group are eligible only for case management, adult day care, and homemaker services.

**Waiver participants will be charged co-payments for community services.** For persons in the “highest need” and “high need” groups, cost sharing is limited by regular Medicaid rules. There is no cost sharing provision for “moderate need” services.

**The waiver operates under a five-year global budget cap.** Vermont’s funding for all long-term services, including nursing facility and HCBS services are subject to an aggregate cap set at \$1.236 billion. This amount is based on projections regarding the demand for, and cost of, long-term services by low-income elderly and individuals with disabilities in Vermont. If actual costs exceed this level, the state is responsible for any additional costs or it will have to limit services provided to stay under this cap. Under the waiver, the state hopes to save \$61 million on existing populations through greater use of HCBS, and would use \$56 million of that for spending on the “high” and “moderate need” groups.

**Other Features.** The demonstration is operating as a managed care program, but Medicaid providers are not capitated and providers are not at-risk financially. The demonstration includes a “Cash and Counseling” consumer direction component. The demonstration also permits the state to engage in selective contracting with nursing homes, however, this feature is not yet implemented.

**Current Enrollment Status.** By narrowing eligibility for nursing home care and expanding community services, the state plans to provide long-term services to more individuals in less costly settings. Enrollment as of June 2006 reached 3,906 individuals, with more people being served under the new waiver than prior to the start of the waiver (Figure 1). The program is also providing limited community supports to an additional 449 individuals who are classified as “moderate need” individuals.

**Key Questions**

**Will the level of community supports be sufficient to prevent the need for nursing home care?** The adequacy of services for individuals who need long-term services is especially urgent for “highest” and “high need” group individuals, in particular for individuals with “high needs” who meet an institutional level of care standard, but have no guarantee of any services. As of June 2006, 68 “high need” individuals were on the waiting list compared with 241 individuals on a wait list for HCBS services prior to the start of the waiver.

Figure 1

**Demonstration Participation**

Historical Experience (SFY 2003)		Actual Enrollment (June 2006)	
Nursing Home	2,101	Nursing Home	Highest Need 2,130 High Need 13
HCBS Waiver	958	HCBS Waiver	Highest Need 944 High Need 157
ERC Waiver	142	ERC Waiver	Highest Need 177 High Need 36
		Moderate Need	449
<b>Total</b>	<b>3,201</b>	<b>Total</b>	<b>3,906</b>

Sources: Vermont Revised Budget Neutrality Projections, May 7, 2004 and Vermont Department of Disabilities, Aging and Independent Living Enrollment Report, June 2006. **K A I S E R C O M M I S S I O N O N Medicaid and the Uninsured**

**Will the assessment process fairly and appropriately determine the level of need?** It is not known how effectively the screening and assessment process will evaluate individuals and assign them to a level of eligibility. This is complicated by the fact that the need for services can vary significantly over time and across populations. Monitoring will be necessary to follow how well changing needs will be accommodated.

**Is there adequate capacity to provide community services?** The state has established several goals for rebalancing its service delivery system. It will be important to monitor whether there is adequate capacity in Vermont to provide community services on the scale envisioned by the demonstration.

**Will operating under a global cap limit services to those in need of long-term services?** While the aggregate cap amount appears to be generous today, it will be important to monitor whether funding is sufficient to meet future service needs.

**Conclusion**

Virtually all stakeholders agree that Medicaid programs need to achieve a greater community orientation in their long-term services programs. Vermont’s Long-Term Care Plan waiver gives the state significant new tools to limit Medicaid spending on nursing home care and to increase access to community-base services. However, questions remain over whether the encouragements to use community services are sufficiently balanced by safeguards to protect access to care in the most appropriate setting that is needed, whether in the community or in a nursing home.

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