

**Department of Mental Health
FY 23 Budget Adjustment (BAA) Submission
Narrative Talking Points**

Contract Increases for UVMMC

Gross: \$371,852 General Fund Equivalent: \$371,852

DMH currently utilizes a contract through University of Vermont Medical Center (UVMMC) for Psychiatrists and physicians in both Central Office for the Children’s Medical Director, and at the Vermont Psychiatric Care Hospital (VPCH).

During contract negotiations for the FY 23 UVMMC contract, in an effort to maintain or recruit necessary staff, UVMMC requested to increase salaries for some of the positions under this contract. This is the cost to increase those positions and brings them closer to market value with similar facilities beginning 10/01/2023.

Travel Nurse Contract Increases

Gross: \$11,245,843 General Fund Equivalent: \$10,502,540

This represents the estimated cost of travel nurses for FY 23. DMH has been utilizing 26-30 travel nurses on average at VPCH during the pandemic (which accounts for over 65% of all nurses at the facilities). Currently, VPCH has 42 contracted staff, 4 of which are Mental Health Specialists. Even with the travel partners, VPCH continues to struggle with staffing challenges.

Prior to the pandemic, VPCH’s utilization of travel nurses was around 10-16 (approximately 30%-50% of all nurses at the facilities) with a cost of \$100/hour or slightly less. The cost has increased to \$200/hour with overtime at time and a half.

Pre and post-pandemic statistics:

- Pre-pandemic, to operate 25 beds, VPCH utilized contracted staff to cover approximately 8-15% of our total allotted direct care positions.
- Post-pandemic, to operate 25 beds, VPCH would be utilizing contracted staff to cover approximately 50% of our total allotted direct care positions. Because this simply has not been feasible 1 Unit (4 beds) remain offline.

Vacancy Savings To Offset Travel Nurses

Gross: **(\$3,489,111)** General Fund Equivalent: **(\$1,330,049)**

While DMH is experiencing very high utilization of travel nurses, that cost will somewhat be offset by vacancy savings. This represents the estimated vacancy savings for the nurses at the current rate of vacancies.

Washington County Mental Health Services (WCMHS) Micro Residential Increases

Gross: \$48,535

General Fund Equivalent: \$18,502

The Department is requesting funds targeted to support salary increases at WCMHS’ micro residential. Micro residential are community-based staffed living homes for children with significant needs who are at risk of institutional care or may be transitioning from a higher level of care. These community-based homes play a major role in facilitating discharges from youth inpatient, impacting patient flow.

Survey of current salaries– lowest paid staff

Target population – youth

Rate increase - did not fully stabilize vacancies

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Gross: \$300,000

General Fund Equivalent: \$300,000

Due to Act 57 (S.3) An act relating to competency to stand trial and insanity as a defense; DMH received a one-time appropriation in FY 22 to cover the cost of additional legal staff and evaluations at Vermont Legal Aid, as well as the anticipated cost of conflict council for DMH.

This is the estimated cost of this activity for FY 23.

ADS Service Level Agreement

Gross: \$34,578

General Fund Equivalent: \$34,578

This is the funding necessary to cover the Service Level Agreement from the Agency of Digital Services (ADS). AHS learned of an increased cost in FY 23 and is distributing that cost to the departments.

Private Nonmedical Institutions (PNMI) Increase

Gross: \$420,000

General Fund Equivalent: \$189,419

The State of Vermont funds a network of treatment facilities for children and adolescents with emotional behavior and other challenges through Private Nonmedical Institutions (PNMI) for Residential Child Care, part of the State's Medicaid program. The facilities provide treatment for children and adolescents and families which is designed to build on their strengths and return children to their homes and communities whenever possible and appropriate.

This is a one-time inflation factor adjustment to increase the treatment portion of the final rate for each provider whose rate is set by the Division of Rate setting (a unit in the Department of Health Access). This funding will help stabilize providers as they face higher costs of care.

AHS/Net Neutral Items:

Transfer Funding To DCF for NFI Room and Board

Gross: (\$73,666)

General Fund Equivalent: (\$73,666)

Northeastern Family Institute (NFI) is a private nonprofit Specialized Service Agency (SSA) within the Vermont statewide mental health system and is paid via a case rate through DMH.

When the NFI Medicaid case rate was developed, the Department of Children and Families (DCF) issued funds to DMH in partnership to fund that effort. It was recently discovered that the cost for room and board was included in their case rate. Room and board are not allowable Medicaid costs by the Centers for Medicare and Medicaid (CMS). Therefore, these funds are being removed and returned to DCF, ensuring that room and board are paid for with General Fund.

Receive Funds From DCF for WCMHS Micro Residentials

Gross: \$48,535

General Fund Equivalent: \$18,502

Funding of the WCMHS micro residentials is a partnership between DMH and DCF. This is to receive funds from DCF to support these facilities as part of the DMH case rate beginning January 1, 2023.

Receive Funds From DCF for CSAC IFBS

Gross: \$29,723

General Fund Equivalent: \$29,723

Since 2012, the Counseling Service of Addison County (CSAC) has been providing Intensive Family Based Services (IFBS) through funding from DCF, which is a part of CSAC's Integrating Family Services budget. CSAC has provided quarterly invoices to the Interagency Planning Director at DMH, who then forwards them to the DCF business office for payment. Shifting these funds through an interdepartmental transfer will create a more efficient and streamlined process for DMH, DCF and CSAC.