VERMONT CARE PARTNERS

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Vermont Care Partners
Proposal for a Phased Approach to Achieve Rate and Service Equity

Vermont Care Partners recognizes that the Medicaid funding and rates for services vary by agency which may influence the ability of network agencies to provide equitable access to quality services. Additionally, we recognize that it is important to both CMS and AHS to understand and address the variation in rates and services as the State analyzes and develops improved payment methodologies. Rate equity for similar services is an important financial goal for the agencies and all communities should have equitable access to core services.

Each network agency provides core services mandated by statute, although they may provide them in slightly different ways. Additionally, each agency offers unique services reflective of regional needs and resources, or as a resource to the broader system of care. Rates and services were developed and impacted over time in relation to these and other factors such as demographics, acuity levels, geographic locations of institutions, community demand, and innovative initiatives. Given these complexities we believe the actual level of disparity between agency rates is not yet quantifiable.

Over the next year agencies are embarking on a cost analysis of our mental health services. This cost analysis will be performed by an independent national consultant, Cohn Reznik, using a federally approved cost report process. The analysis will provide excellent data to enable further rate analysis and will help quantify disparities in the common core services coved by the case rate. In the interim, Vermont Care Partners proposes that as the state works to increase the needed rates of reimbursement for all agencies, that they also begin to make additional investments to improve rates for agencies that appear to be outliers.

Rates of payments constrain services and limit workforce investments at all agencies, this is especially critical during the current workforce crisis and with pronounced inflationary pressures. Therefore, it is critical that investments to agencies with significantly lower rates be made with new funding, rather than reducing rates at other agencies to redistribute resources that are already limited, and which could precipitate the reduction or elimination of programming approaches that communities have come to rely upon.

We recommend an investment of $1.3 million in general funds be appropriated in the FY24 budget, based on the current perceived disparities, to bring the system wide PMPM rates for the same core services to reflect a more equitable allocation of resources. At the same time, we will proceed with the cost analysis work which will allow future investments to address any possible equity issues based on a strong foundation of data.