Testimony
Joint Fiscal Committee
Findings of the Legislative Developmental Services Summer Work Group

Presented by
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Agency of Human Services

September 11, 2013

Section E.333 (b) of the Budget Bill (Act 50 of 2013) directed the Secretary of the Agency of Human Services (AHS) or designee to convene a Work Group to identify program changes to minimize or eliminate the need for rescissions in the developmental services program to manage within the appropriated funds for fiscal year 2014; and, that changes or rescissions will be implemented in a manner that minimizes negative impacts for consumers. http://www.leg.state.vt.us/jfo/appropriations/fy_2014/FY14_Intent_Doc_-_(2013_session).pdf

Specific charges

- Assess need for revisions to case planning and oversight
- Assess whether alternate practices could be identified for more cost-effective use of resources
- Determine what changes could reasonably be implemented in fiscal year 2014
- Identify the fiscal year 2014 target savings amount to be accomplished through the existing System of Care Plan.
- Identify new cost-effective, innovative models of care
- Use findings to inform new System of Care Plan (June 2014- July 2017)

Section E. 333 also directed the Joint Fiscal Office to work with the Administration to provide a final savings target for FY2014. JFO reported the new target of $2.23 million in July 2013. It further directed the JFO to review the methodology for determining caseload, which is being provided today in a separate report.

The DS Appropriation in FY 2014 is $169.88 (FY13 $160.98 M), including new caseload (7.5 M), BAA (3M), provider rate increase (2.9M) and original savings target (-2.5M). This is comparable to other increases of 6-8% in recent years.

These increases reflect the pressures on the developmental services program in Vermont. These include the aging of caretaking parents, the aging of the developmental services population, the rise in individuals diagnosed with autism and a sharp rise in the number of refugees seeking assistance in FY13 refugees Americans especially in Chittenden County.

The Work Group met four times this summer and individual members, as well as DAIL staff, did additional research outside of the meetings. Members also consulted with the organizations that they represented and brought their feedback to the group. Public comment followed each meeting.

The Work Group considered over 40 ideas, of which 6 had potential for significant savings in FY14. The most robust of these, a transition of over 60 individuals from shared living to

supervised apartments, could save .5M, cannot realistically be implemented this year, given the lack of housing inventory and other barriers. The group rejected the Department's recommendations for capping administrative costs and bringing the ceiling on waivers back to 2010 levels (from $300->250K).

The top long term recommendations included enhanced family supports, housing, crisis prevention, quality assurance and alternate funding sources for refugees.

In short, while the Work Group did not succeed in its primary task, it did succeed in providing additional direction for the Department's Task Force and will help inform the upcoming State System of Care triennial review, which will lead to the creation of a new system of care plan for 2014-2017

We are only two months into the current fiscal year. We intend to continuing managing the budget within the appropriation and will continue to monitor the situation. The Department feels it is premature to predict what further adjustments to the budget may be needed.

If further adjustments are needed, these will be undertaken as soon as possible to allow for greatest spread over the fiscal year. Any adjustments will follow the System of Care plan guidelines regarding rescissions. These guidelines will help insure that any negative impact on individuals in the waiver program will be avoided or minimal.

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Choices for Care Reinvestment

- $6.0M available in CFC reinvestment savings.
- As directed by Act 50, DAIL will present a reinvestment plan during BAA.
- One area under development for BAA is intended to address the moderate needs group. DAIL staff has been working with the AAAs to create a flexible funds pilot project. Home Health Agencies and Adult Day providers will be added to the work group
- Act 50 also creates the opportunity to present urgent reinvestment needs prior to BAA in January, 2014.
- DAIL has received input from the Health Care Oversight Committee as well as many provider stakeholders suggesting that a current waitlist for services in the moderate needs group constitutes an urgent need.
- We would like to be able to better address the needs of these individuals. We do not believe this represents an urgent need intended by Act 50:
    - these are not high needs individuals
    - the waitlist has been a chronic problem.

In a written communication the Joint Fiscal Committee has already advised DAIL that it is of the same opinion.

DAIL does request spending authority in the amount of $210,000 to address urgent food insecurity and nutrition needs of seniors.

This amount will offset the difference between the FFY12 and FFY13 awards for congregate meals (Title IIIC1: $113,668) and home delivered meals (Title IIIC2: $ 56,135)and provide funding (40K) for targeted intervention(s) aimed at those who are at the highest nutritional risk.

Specifically, these funds will be used to
- Provide home delivered and congregate meals to at risk older adults
- Restore 35,000 meals that are part of a supper program
- Provide support to community meal providers to explore offering person centered meal options to meet the specific dietary needs of at risk older