

Health Care Oversight Committee
Thursday, September 18, 2014
Acting Secretary Harry Chen, MD Testimony

Changes at AHS: personnel, policy, administrative and budget

- Lawrence Miller addressed committee earlier in the day with specific plans to address issues to get Vermont Health Connect back on track.
- Health Services Enterprise – (talking points attached)
- Integrated Family Services: in addition to Carol Maloney in her new role, we have managed to co-locate the children’s staff from DMH, VDH, DAIL and DCF in one physical space to support the continued work towards integration of services and payment reform to bring this initiative to life (see attached information)
- Act 195 - Annie Ramniceanu was hired as Pre Trial Services Director hired in DOC
- DCF work on child protection and safety- Commissioner Schatz spoke earlier in the day; address
- report to the Governor, timeline and input from national experts and Vermont stakeholders (see attached)

Personnel:

- I have taken on a new role as the Interim Secretary
- Tracy Dolan is ably supporting VDH as the Acting Commissioner
- Stephanie Beck is heading up our HSE efforts as the Program Director for Health & Human
- Services Enterprise
- Monica Light moved to back fill Stephanie, and is now the Director of Health Care
- Operations, Compliance, & Improvement
- Dave Yacovone left the AHS and took a position at Sterling Area Services, a community
- partner in our developmental services system and much closer to home
- Ken Schatz moved from the AHS General Counsel to Commissioner of DCF; we will be
- beginning a search to replace him in the Secretary’s Office
- Carol Maloney has moved into the role of AHS Director of Systems Integration and will
- be hiring an Integrated Family Services Director
- Jim Giffin is retiring and Sarah Clark will be moving from the Dept of Finance to take his
- role as CFO for the Agency

Budget:

Very little has changed pertaining to Health Care financing since the legislation passed and governor signed budget in May 2015.

The one item is the rescission in August. Most of the reductions were absorbed by one time funds, administrative changes/efficiencies, and changed assumptions pertaining to caseload. That said, one item did impact health care providers and that is the elimination of the 1.6% COLA increase that was planned for most all providers scheduled for January 2015. This had a gross impact of \$7.4M and a GF impact of \$3.1. We understand the difficulty that this passes onto our medical services providers and nonprofit providers. This will force them to absorb any increases in staff or operating costs from either finding some efficiencies or one time savings similar to the State and or passing those costs on to other providers.

FY16

FY16 is going to be extremely challenging for AHS and State government. Budget instructions came out last week requesting both a level funded and 5% reduction in budgets AFTER the rescission. Many parts of AHS are challenged by this since they have little control over caseloads (i.e. Corrections). My understanding is the JFC staff and F&M staffs continue to work on the 'gap' needing closure in SFY16. However, when we look at the one time funds used in AHS in FY15 (such as \$8.3M in Corrections), declining FMAP (maybe over \$14M), and annualizing of FY15 items (such as operating the Exchange) we, as a State, will have some difficult decisions to make around the FY16 budget.