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Agency of Human Services

M E M O R A N D U M

To: Rep. Martha Heath, Chair, House Appropriations Committee
Rep. Mitzi Johnson, Vice Chair, House Appropriations Committee

From: Mark Larson, Commissioner of the Department of Vermont Health Access

Cc: Doug Racine, Secretary, Agency of Human Services

Date: 3/19/14

Re: H.762: Fiscal Impact Estimate for DVHA

H. 762 (Draft No. 7.1 – H.762), requires the DVHA to take actions in relation to trauma-informed care for Blueprint practices:

> Sec. 2. TRAUMA-INFORMED CARE IN BLUEPRINT FOR HEALTH
> *The Director of the Blueprint for Health, in consultation with appropriate stakeholders who are interested participants, shall explore ways to implement the following initiatives:*
>
> > *(1) use at Blueprint for Health practices of an appropriate and voluntary screening tool containing questions on the ten categories of adverse childhood experiences, including consideration of patient privacy, appropriate training for providers using a screening tool, and increased per-member, per-month payments to incentivize use of an appropriate screening tool; and*
> >
> > *(2) a pilot program in at least two interested counties using the Vermont Center for Children, Youth, and Families' Vermont Family Based Approach, in which participating community health teams may hire a family wellness coach, or contract with an appropriate community partner organization who shall serve as a family wellness coach, to provide prevention, intervention, outreach, and wellness services to families within the community health team's region.*
>
> Sec. 3. REPORT; BLUEPRINT FOR HEALTH
> *On or before December 15, 2014, the Director of the Blueprint for Health shall submit a report to the House Committee on Health Care and to the Senate Committee on Health and Welfare containing findings and recommendations regarding the future implementation of the initiatives listed in Sec. 2 of this act, including evaluation measures and approaches, and funding constraints and opportunities.*

This bill requires that the *"Director of the Blueprint for Health, in consultation with appropriate stakeholders who are interested participants, shall explore ways to implement the following initiatives"*. These cost estimates are preliminary analysis only and do not reflect a full exploration of how these initiatives may be implemented.

Our early estimates of the fiscal impact to meet these requirements are as follows:

1. Voluntary use of Screening Tool at Blueprint practices:
   a. EMR modifications to include ACE screening tool in EMR and Visit Template:….$20,000 (per practice EMR)
   b. Total number of potential practices:…… 124
   c. Training per practice on privacy, appropriate use of screening tool:……..$2,000
   TOTAL: …… $2,728,000

   - This estimate is maximized using the assumption that each practice utilizes its own EMR. To the extent that EMR's are shared and practices do not volunteer, this total will be reduced.

2. Per Member Per Month Incentive Payments for Blueprint Providers
   a. Estimate of Incentive Payment PMPM[1]……$1.00
   b. Medicaid Members attributed to Blueprint providers starting 7/2015[2]……51,339
   c. FFS payment for Assessment…… $17.13
   d. New Patients per month……554
   SFY 2016 TOTAL: PMPM[3]**…… $616,068**
   SFY 2017 TOTAL[4]: FFS for new patients**……$113,880**

   - This estimate assumes that the ACE type screening only needs to be provided once to each adult. Based on this assumption, Medicaid proposes to pay a $1 PMPM rate to incent providers to screen current Blueprint beneficiaries in SFY2016. The PMPM bump is removed after one year and is replaced with a FFS payment for new patients starting in SFY2017.

3. Pilot Project in 2 regions (3 practices): Low - High
   a. Training for three practices…… $6000
   b. Wellness Coach Staff: 2 FTE to serve 40-60 families referred by three practices
      i. Salary (per FTE)…… $35,000 - $45,000
      ii. Benefits 35% (per FTE) …… $12,250 - $15,750
      iii. Office, phone, computer, travel (per FTE)…… $4,000 - $6,000
   TOTAL: For 2 FTE…… $104,500 - $139,500

   - This estimate assumes that 2 FTE will be adequate to serve the needs of CHTs in 2 regions and provides a range of potential cost.

[1] *Incentive payment methodology will need to be refined based on NCQA rating and appropriation for this new service.*
[2] *Based on Growth ACGR of 1.08%*
[3] *Members multiplied by $1 incentive payment for 12 months*
4 New members based on 1.08% Annualized Compound Growth Rate