DEPARTMENT OF MENTAL HEALTH
FY16 BUDGET REQUEST

January 28, 2015

Rescission Items:
(1,878,374) Gross ($837,655) GF
These were previously enacted reductions authorized by the Joint Fiscal Committee (Rescission) or big bill approved actions (management savings).

Annualized Payact:
$1,009,291 Gross $453,059 GF
Annualization of the fy15 salary and related fringe changes (salary, FICA, life, retirement, health, dental, EAP, LTD of the up/downs document).

Workers Comp Insurance
($381,629) Gross ($171,599)
This is a reduction in Workers Compensation insurance expense.

VPCH/MTCR Savings:
($162,490) Gross ($73,072) GF
DMH will realize savings in their inpatient facilities by reducing contracted services and bringing them in house. In addition, DMH will reduce operating expenses at MTCR.

MTCR Food Service (from contract to VPCH kitchen):
($129,984) Gross ($58,454) GF
Vermont Psychiatric Care Hospital (VPCH) will replace the current food service contract at Middlesex Therapeutic Care Residence (MTCR). VPCH will prepare meals, snacks and coffee for residents at MTCR for pick up three times daily by MTCR staff. Existing vehicles will be used for this transport.

Lease at Harvest Lane, Williston:
$43,511 Gross $19,450 GF
DMH has leased space at Harvest Lane in Williston Vermont. The space is used by the AHS Integrated Family Service collaboration, which includes the DMH Children's unit. This expenditure is the DMH share of the cost of that space. This is an initiative to bring comprehensive child and youth focused services under one umbrella entity within AHS. Promoting mental health services to this age group is core mission for DMH.

Electronic Health Record – VPCH Placeholder:
$500,000 $224,850 GF
The state of Vermont has been charged to "have an EHR in place" as a key requirement for the Certificate of Need established under 18 V.S.A. § 9351 for rebuilding of a new State hospital and integrate physical, behavioral, pharmacy, dietary, billing and lab functions in a single system; functions not currently in place at VPCH. The current perspective of the Legislature is that VPCH's EHR must include features and functions to help facilitate the attainment of "Meaningful Use" attestation (Stages 1-3) as charted in the Federal HITECH ACT of 2009, and must have interoperability with Vermont Health Information Exchange (VHIE) through Vermont Information Technology Leader (VITL), 18 V.S.A. § 9352.

Client revenue:
$0 Gross ($2,176) GF
DMH intends to pursue all available revenue sources at the Middlesex Therapeutic Care Residence as well as at the Vermont Psychiatric Care Hospital. Self-Pay is determined if there is no insurance coverage and based on a patient's ability to pay.

Insurances:
($18,193) Gross ($8,198) GF
Property, General Liability and other insurance.

VISION, DII, FFS, and HR Internal Service Charges:
$38,781 Gross $17,082 GF
Internal Services funded expenses which include VISION, DII, HR, and Fee For Space.

Pathways to Housing:
$850,000 Gross $382,245 GF
Rationale: Program provides community support team services using a "Housing First" treatment model to offer structured, daily assertive treatment and support service to persons; and securing stable housing as a core treatment component. Pathways to Housing achieved provisional SSA status in May, 2014. This will allow them to access DMH FFS and CRT Medicaid. This will be added to their base funding for these activities, supported by DMH, of $580,000.

Soteria House:
$500,000 Gross $224,850 GF
Rationale: Soteria House is a consumer-directed and peer run alternative support program as an alternative to traditional "medical model" psychiatric stabilization. This program may allow diversion of some psychiatric hospitalizations and serve to step-down individuals from inpatient psychiatric care. The Program is funded for 6 months in fy15.

Youth in Transition Federal Grant Ending:
($264,920) Gross - Federal
Rationale: All federal funds have ceased, and this reduction removes the unnecessary federal spending authority. The current appropriation is equal to nine months of previous program funding levels.
Impact: Program will continue to operate in FY 16 at a reduced funding level.

Housing Vouchers:
($500,000) Gross ($224,850) GF
Rationale: Funds are used to provide housing subsidies to individuals living with or recovering from mental illness for the purpose of fostering stable and appropriate living conditions. A decrease in funding will allow us to continue to support current vouchers; it will decrease the rate of the availability of new vouchers.
Impact: A decrease in vouchers requires that the mentally ill population transitioning from inpatient care is the priority for remaining resources to assure timely access to acute hospital care.

Vermont Psychiatric Survivors:
($200,000) Gross ($89,940) GF
Rationale: A number of programs (Outreach, Community Links) within VPS have struggled and not been meeting their expected outcomes. The organization has struggled with its own internal leadership over the past year given the departure of its longstanding Director and changes within it peer majority Board of Directors. These challenges have impacted services. Impact: Some decrease in capacity for outreach and community support.

WCMH Collaborative Solutions Integration Project:
($135,610) Gross ($60,984) GF
Rationale: This Washington County project was originally funded through a Vermont Judiciary Grant and has been supported by DMH for a number of years with the goal of strengthening community supports to individuals involved with the criminal justice system. This year there are two state-wide initiatives focusing on individuals with mental health and/or substance issues involved with the criminal justice system:

(1) Vermont was awarded the Second Chance Act Implementation grant to support efforts state-wide to decrease recidivism of offenders released to furlough Act 195

(2) Act 195 passed this year focuses on developing and maintaining programs to decrease recidivism for individuals with mental health and/or substance use disorders.

It is time to integrate this local initiative with the state-wide initiatives. Additionally, through enhanced funding and non-categorical case management billable services can be reimbursed by Medicaid FFS through AOP.
Impact: There may be some discontinuity of services during the transition from local grant funding.

HCRS Sparrow:
($188,801) Gross ($84,904) GF
Rationale: This HCRS project is designed to develop an integrated approach to serving the needs of individuals with co-occurring mental health and substance use disorders who come in contact with the criminal justice system. Similar to the rationale for eliminating the CSIP grant, there are now 2 state-wide initiatives – Second Chance Act Implementation grant and Act 195 – that have similar goals with a state-wide focus. It is time to integrate this local project with the state-wide initiatives. Additinally, billable services can be reimbursed through Medicaid FFS through AOP.
Impact: There may be some discontinuity of services during the transition from local grant funding.

Non-Categorical Children's Services:
($381,255) Gross ($171,450) GF
Rationale: This amount represents underutilization of funds.
Impact: This level of reduction can be spread across the services system to minimize impacts to overall services delivered to children.

Wellness Workforce Coalition:
($20,000) Gross ($8,994) GF
Rationale: The creation of a statewide peer workforce development and training entity was recommended both by an Act 79 peer group and an independent consultant's report. Cuts to this program, however, would not result in a cut in services.
Impact: This organization's current activities are not in areas that impact direct care service levels. A reduced level of funding will still allow peer workforce development and training activities to occur in FY 16.

Alyssum – Budget Utilization:
($10,000) Gross ($4,497) GF
Rationale: Alyssum is a high performing peer-run program that has consistent savings at current staffing levels and operations.
Impact: Approximately 2% of their total grant can be reduced without impact to service provision.

Reduce Residential – Budget Utilization, Meadowview and Hilltop:
($525,000) Gross ($236,093) GF
Rationale: Intensive Residential Program efficiencies trended over the past three years indicates that costs continue to come in under projected annual budgets and operating costs.
Impact: DMH believes that funds can be safely removed from the overall budget without programmatic impact.

Enhanced Family Treatment variance:
($35,000) Gross ($15,740) GF
Rationale: The Enhanced Family Treatment (EFT, aka children's mental health waiver) Program - the Designated Agencies perform self-audits on individual service budgets to determine whether the cost of actual services provided is below the budgeted costs, resulting in "error". Errors in cost projections exceeding the allowable error rate are recouped.
Impact: DMH will reduce the current 10% error rate to a 3% error rate, thereby increasing the amount of recoupment from the DA's without impact to services.

Medicaid Rate Increase:
$1,687,126 Gross $758,701 GF
A 2.5% Medicaid rate increase to the DMH service providers for 6 months in FY 16.

AHS Net Neutral

Reach Up CHSLV Share to VDH – AHS Net Neutral:
($87,832) Gross ($53,813) GF
This is a transfer to VDH to support the new collaboration involving ESD, DMH, and ADAP. The Community Health Services of Lamoille Valley will provide access to substance abuse and mental health services for Reach Up clients.

ISB – DCF Transfer – AHS Net Neutral:
$1,233,233 Gross $554,585 GF
Transfer of GC funding from DCF for Children's Intensive Service and Waivers for children in DCF custody.

Children's ABA services – AHS Net Neutral:
3,671,648 Gross $1,651,140 GF
Funding transfer from DVHA is to support Applied Behavior Analysis for children with autism spectrum disorders. This additional funding will be used to increase access to ABA services outside of the school setting for children with autism spectrum disorders who are Vermont Medicaid beneficiaries.

IFS – Transfer to DMH from DAIL – AHS Net Neutral:
$100,000 Gross $44,970 GF
This is a transfer of the DAIL funds for service expenditures to this child and adolescent population who falls outside of traditional eligibility for services and are served by Howard Center. Funding supports services and supports to children and youth with high needs who are not categorically eligible for mental health or developmental disability services.

SUMMARY:	**Gross**	**GF**
DMH Request:	$6,592,876	$3,066,097
AHS Net Neutral:	$4,917,049	$2,196,882
Balance of DMH Request:	$1,675,827	$ 869,215