

THE CASE FOR A MEDICAID 2.5% RATE INCREASE
Vermont Council of Developmental and Mental Health Services
February 2015

- **Designated and Specialized Service Agencies need a 2.5% Medicaid rate increase**
 - Community services and hospitals are strained due to closure of VT State Hospital
 - Substance abuse services to address Vermont's opiate crisis require adequately paid staff
 - Our services are essential to address child abuse and neglect
 - Our services reduce costs in the criminal justice system and higher cost medical care
 - We urgently need ongoing reliable COLAs
- **Over the Last 4 years Designated Agency rates were cut by 1.5%**
 - Over the last 10 years our rates have trailed the Consumer Price Index by nearly 15%
 - Meanwhile our costs for employee health benefits, fuels and IT have risen substantially
- **Low Medicaid rates lead to inadequate staff compensation & reduced care quality**
 - Recruitment and retention of skilled and trained staff is a challenge because of low pay
 - Salary levels of our staff are \$9,000 to 1\$6,000 below comparable state employees
 - State Employees continue to receive COLAs, step increases and good health benefits
 - Our staff are being asked to do more and work with people with more complex needs
 - Quality of care requires lasting, trusting relationships that get disrupted by staff turnover
- **Unlike other health providers we can't cost shift to commercial insurance**
 - Designated Agencies depend on Medicaid and state funding for 90% of our revenues
- **Health Reform will be impeded by starving low cost providers of high needs people**
 - The social determinants of health play a larger role than genetics, environment and medical care all combined on health outcomes and costs
 - We effectively serve Vermonters with complex and costly health conditions at low costs
 - RBA data shows avoidance of costly emergency room, inpatient & institutional care
- **There is increasing demand for our services**
 - Growth in the Developmental Services budget is due to new people and services
 - More babies now survive with life-long disabilities and complex health conditions
 - More people with disabilities & health conditions live longer and have multiple needs
 - Autism, early on-set Alzheimer's disease, addictive disorders, and mental health challenges for children and families are all increasing
- **Investment in Designated Agencies has proven outcomes**
 - Vermont has no state school, fewer psychiatric inpatient beds and low incarceration rates
 - Data* shows high employment placements, successful recovery from addictive disorders, successful interventions with school children and other great outcomes
 - Let's build on our success