

# Designated Agency Funding Structure



**Vermont Care Partners**  
**Designated and Special Services Agencies – Finance Directors**  
**December 2, 2015**

# What Do We Do?

- \* Designated Agencies (DA's) have a statutory responsibility to meet all of the developmental and mental health services needs of their region within limits of available resource*
- \* Specialized Service Agencies (SSA's) provide a distinct approach to services or meet distinct service needs*
- \* DA's and SSA's also help the State meet their EPSDT mandate*
- \* Many Designated Agencies are also preferred providers of substance use disorder services*



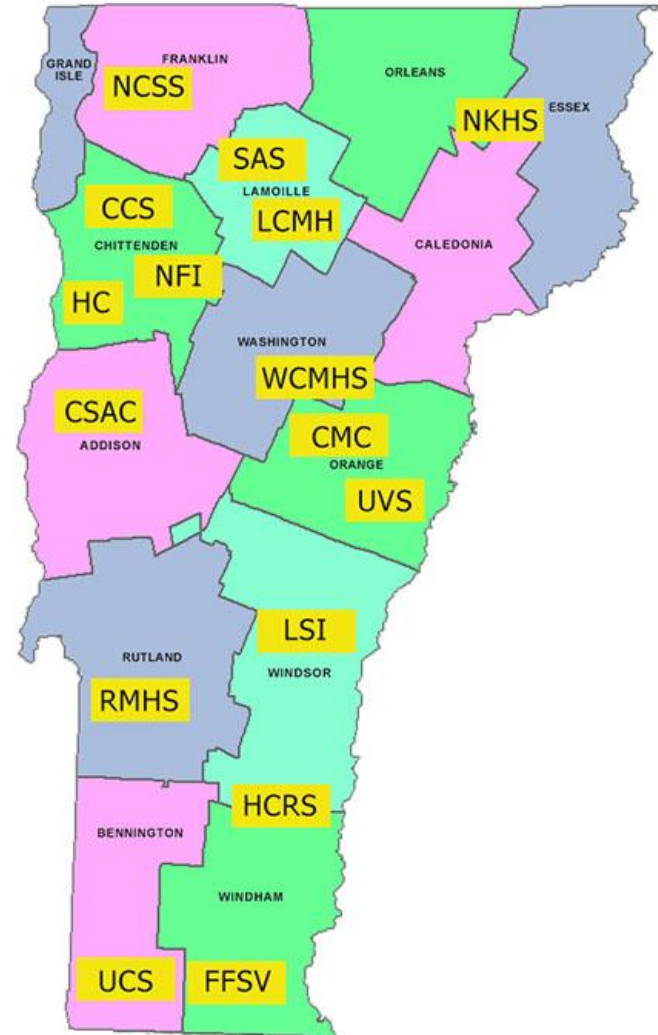
# A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

## Designated Agencies

Clara Martin Center (MH only)  
Counseling Services of Addison County  
Health Care and Rehabilitation Services of  
Southeastern Vermont  
Howard Center  
Lamoille Community Mental Health Services  
Northwest Counseling and Support Services  
Northeast Kingdom Human Services  
Rutland Mental Health Services  
United Counseling Service  
Upper Valley Services (DS only)  
Washington County Mental Health Services

## Specialized Service Agencies

Champlain Community Services (DS only)  
Families First (DS only)  
Lincoln Street Inc. (DS only)  
Northeast Family Institute (MH youth only)  
Sterling Area Services (DS only)



# A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

- *This service system was created by a statute and is required to address the needs of its mandated populations. If the system fails it will have a profound impact on the safety net that was created to support vulnerable Vermonters and place additional demands on public safety services.*
- *The needs and costs to support vulnerable Vermonters will not go away, they will show up in more costly interventions such as crisis services, criminal justice interventions and higher costs to schools.*



# Community Programs

| Program                                       | Description   |
|---|---|
| Adult Outpatient (AOP)                        | Provides services for adults who do not have prolonged serious disabilities but who are experiencing emotional, behavioral, or adjustment problems severe enough to warrant professional attention  |
| Community Rehabilitation and Treatment (CRT)* | Provides services for adults with severe and persistent mental illness  |
| Developmental Disabilities Services *         | DDS provides comprehensive supports for children and adults who meet Vermont's definition of developmental disability and a funding priority as identified in the State System of Care Plan. Services may include home supports, respite, employment and community supports, clinical services, transportation, and/or family support. Service coordination ties all services and support needed by an individual |
| Children and Families (C&F)*                  | Provide services to children and families who are undergoing emotional or psychological distress or are having problems adjusting to changing life situations.  |
| Emergency Services                            | Serves individuals who are experiencing an acute mental health crisis. These services are provided on a 24-hour a day, 7-day-per-week basis with both telephone and face-to-face services available as needed.  |
| Advocacy and Peer Services                    | Broad array of support services provided by trained peers (a person who has experienced a mental health condition or psychiatric disability) or peer-managed organizations focused on helping individuals with mental health and other co-occurring conditions to support recovery  |

# A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

## \* **Cost Comparisons:**

- **Cost of hospitalization (RRMC, FAHC, BR) \$530,710/yr**
  - **Level 1 Daily Rates: RRMC : \$1,484, BR: \$1,424, Average: \$1,454**
- **Cost of hospitalization (VPCH) \$831,105/yr**
  - **Daily Rate: \$2,277**
- **Cost of incarceration \$59,640/yr – in Vermont**
- **\*Cost of State Operated Institutions \$255,692 (FY2013)**
- **Cost of Community Services for CRT Client - \$19,389/yr**
- **Cost of Home and Community Based Services (HCBS) for people receiving Developmental Services \$56,085/yr**
- **Cost of HCBS for Children receiving Waiver services \$68,959/yr**

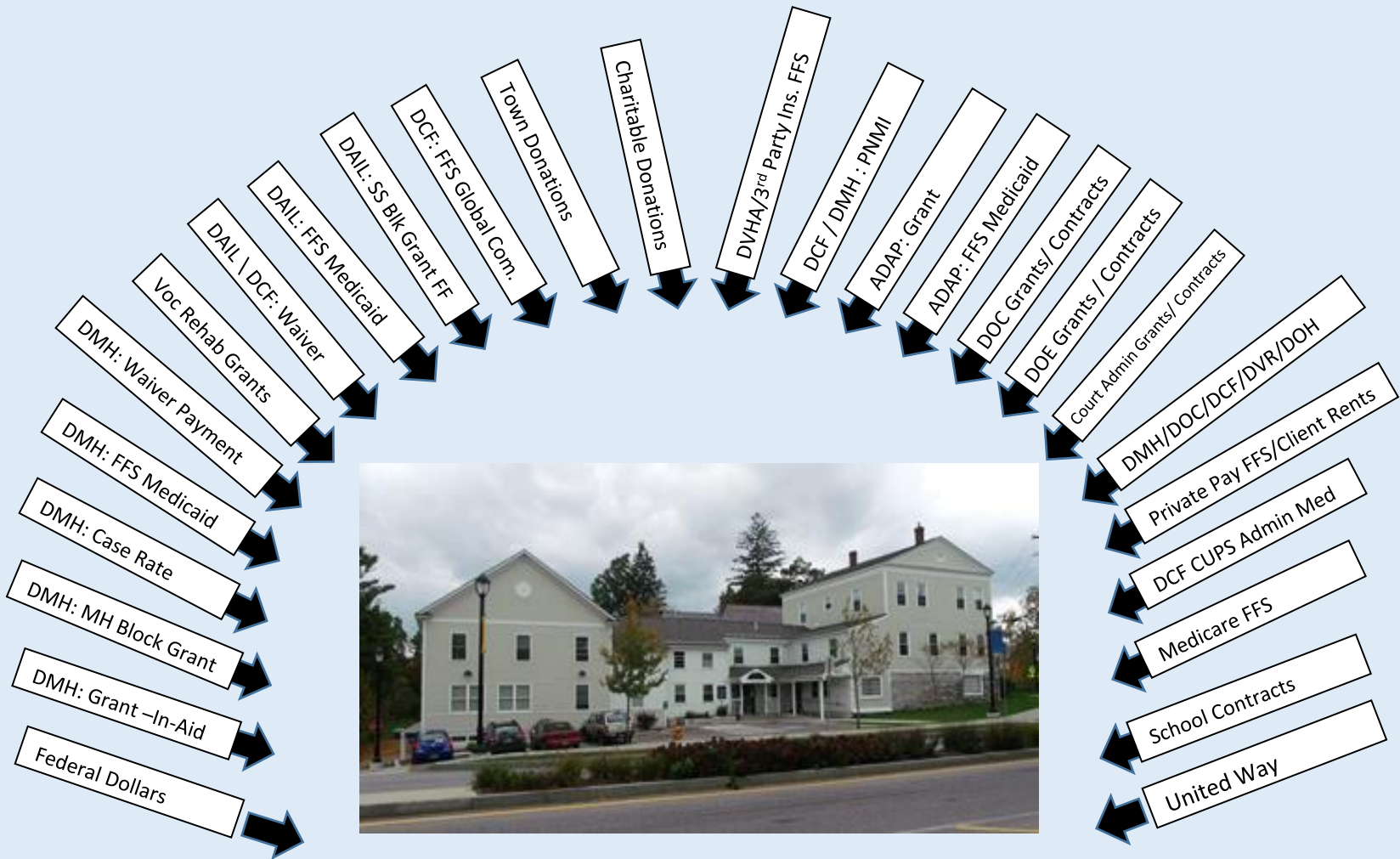
\* Note: The HCBS cost is from the DS Annual Report for FY2014, and the institutional cost is the average state operated institutional cost from *The State of the States in Developmental Disabilities: Emerging from the Great Recession*, January 2015

# A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

- \* 13,412 Vermonters work for the Agencies as either employees or contractors*
- \* In FY15 Agencies had a total cost of- \$262,498,664 for employees and in-state contractors*
- \* Agencies directly serve approximately 35,000 clients and “touch” at least 50,000 through all of our programs even though some are not registered as clients*



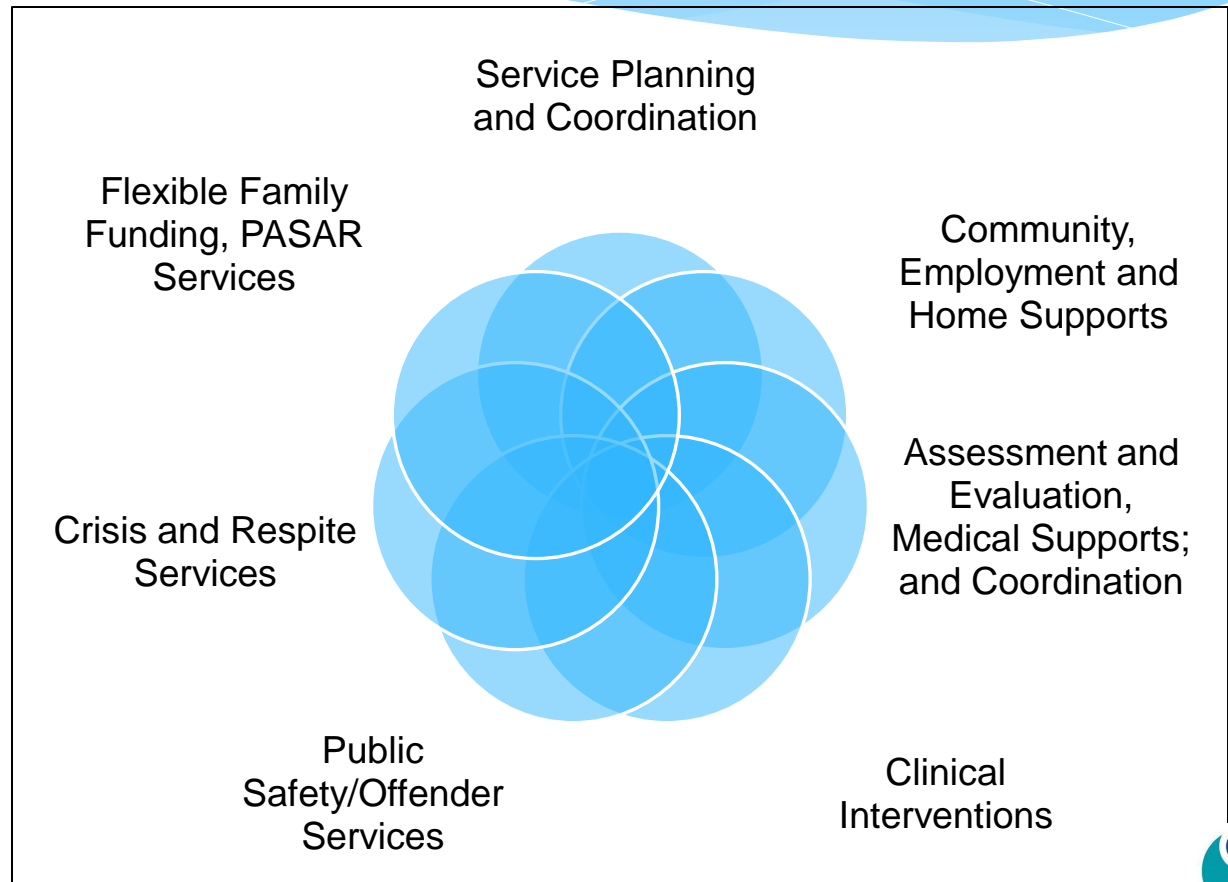
# Multiple Funding - Revenue Streams





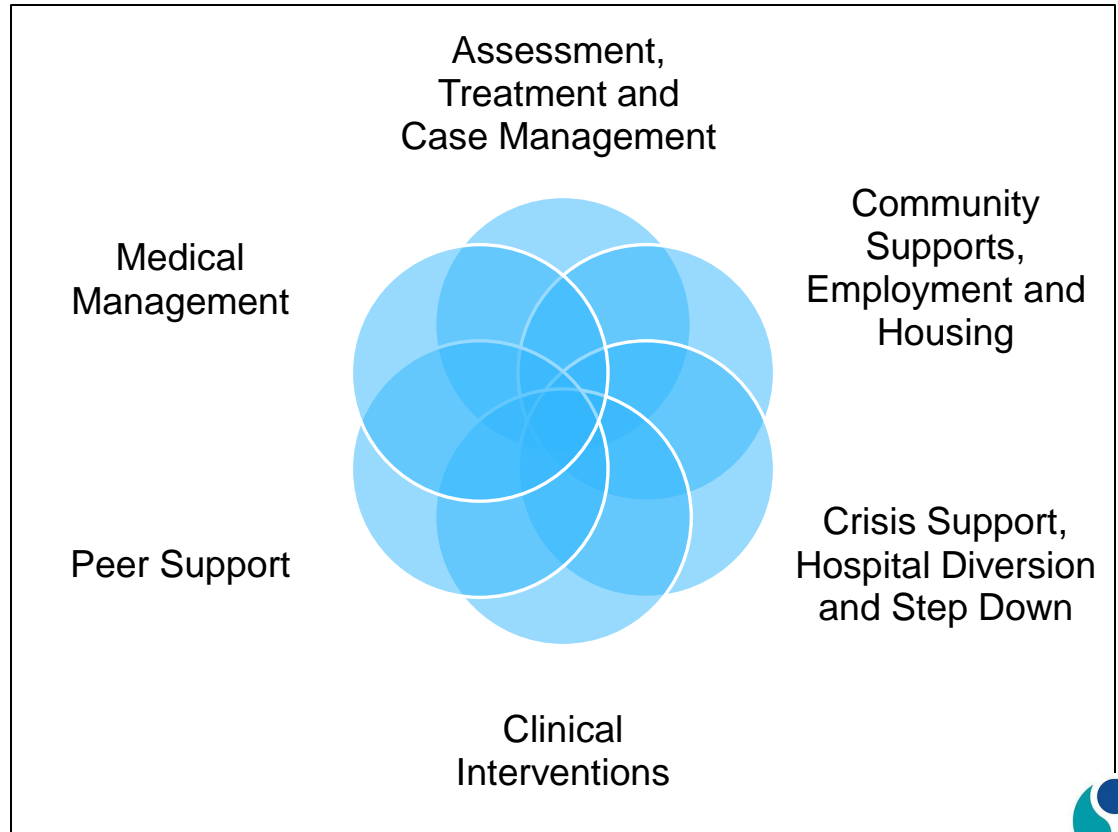
# DEVELOPMENTAL SERVICES - PAYMENT MECHANISMS

- \* **Daily Waiver Rate**
- \* **Monthly Case Rate**
- \* **Grant Funding**
- \* **Contract Invoicing**
- \* **Fee-For-Service**



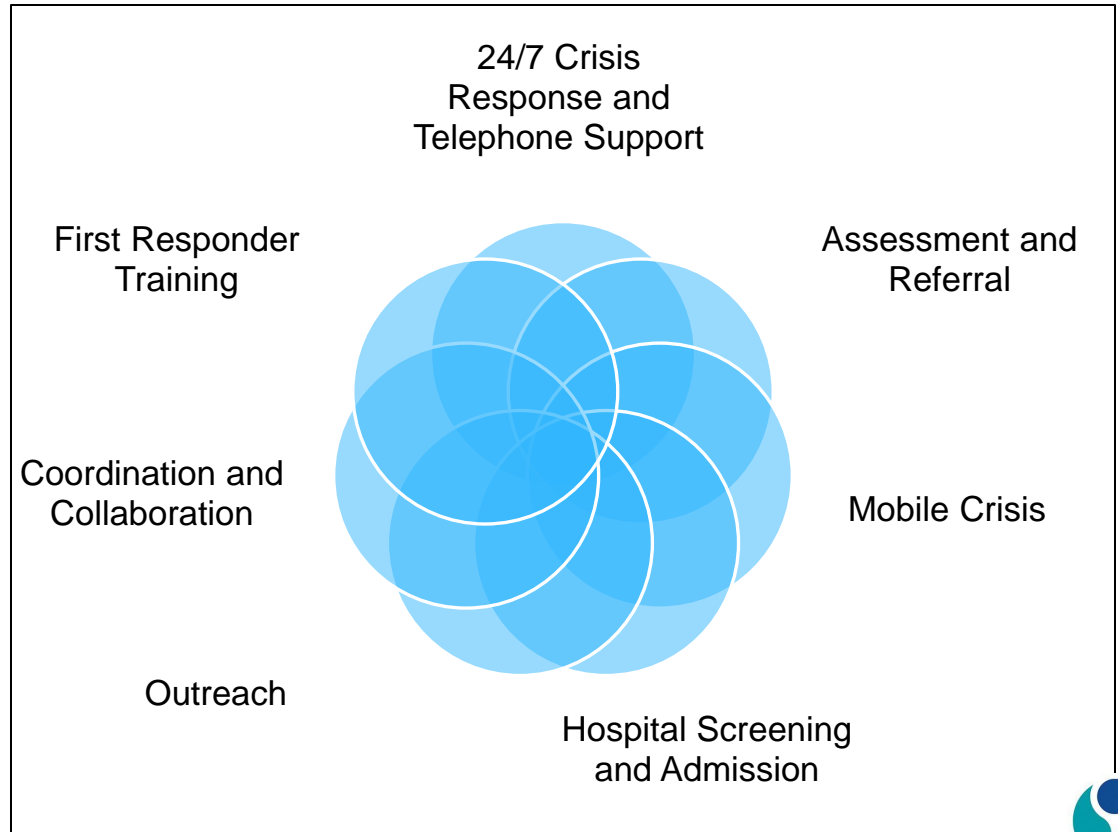
# COMMUNITY SUPPORT PROGRAM (CRT) – PAYMENT MECHANISMS

- \* **Monthly Case Rate (6 month look back -3% variance)**
- \* **Grant Funding**
- \* **Specialized Payments for High Need Individuals**
- \* **Private Insurance**



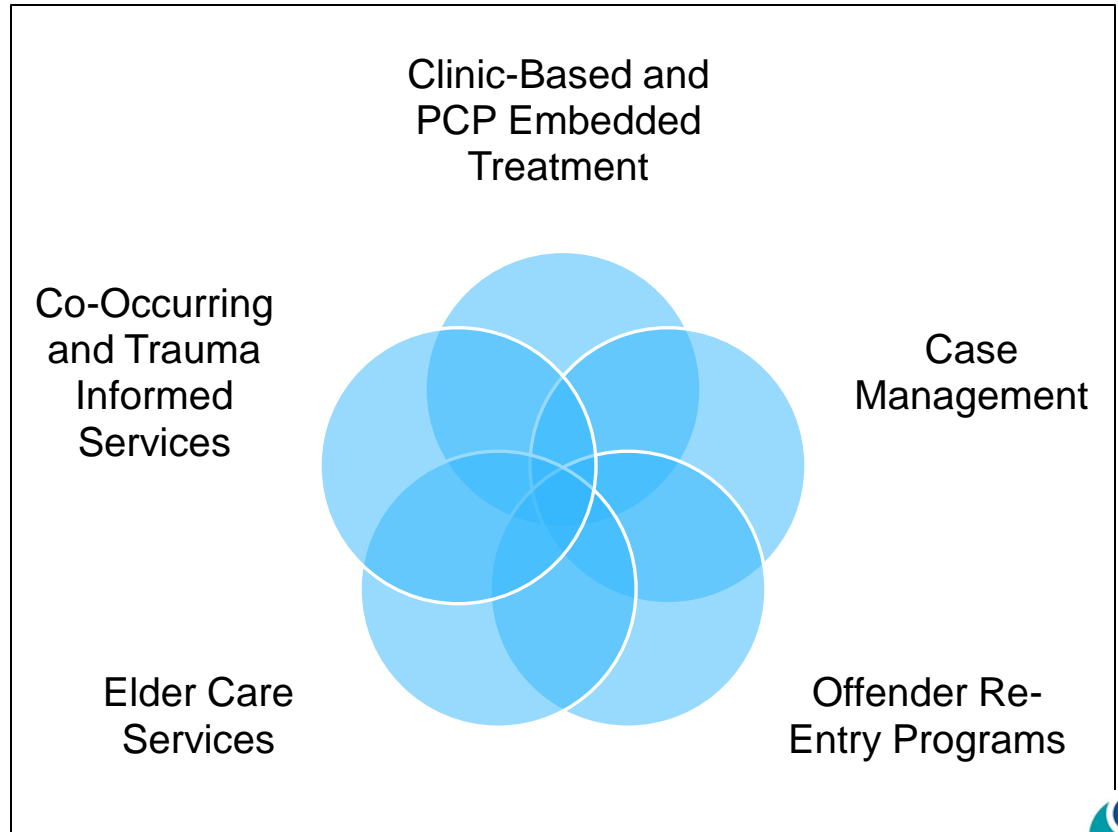
# CRISIS SERVICES - PAYMENT MECHANISMS

- \* **Private Insurance**
- \* **Grant Funding**
- \* **Fee-For-Service**
- \* **Case Rate (CRT)**



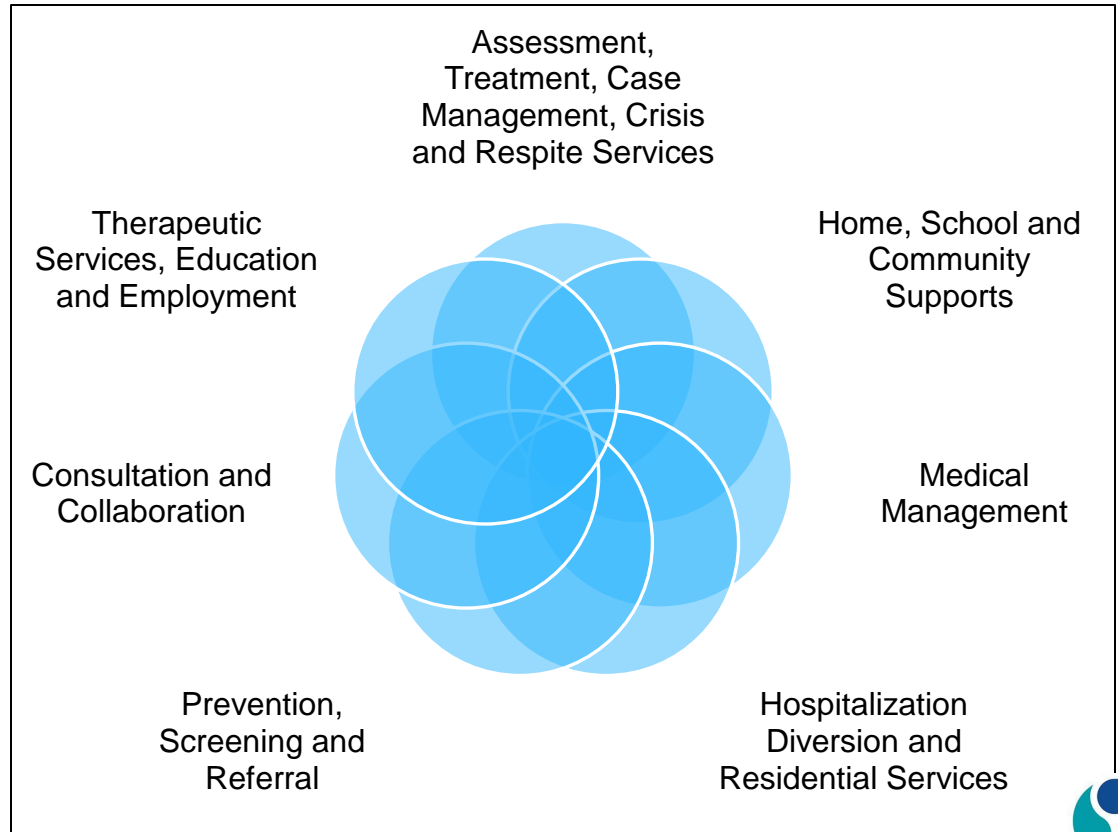
# ADULT OUTPATIENT SERVICES - PAYMENT MECHANISMS

- \* **Private Insurance - Private Pay**
- \* **Multiple Grant Funding**
- \* **Contract Invoicing**
- \* **Medicaid Fee-For-Service( DMH, DAIL, DVHA, ADAP)**
- \* **Federal Funding**
- \* **Charitable Donations**



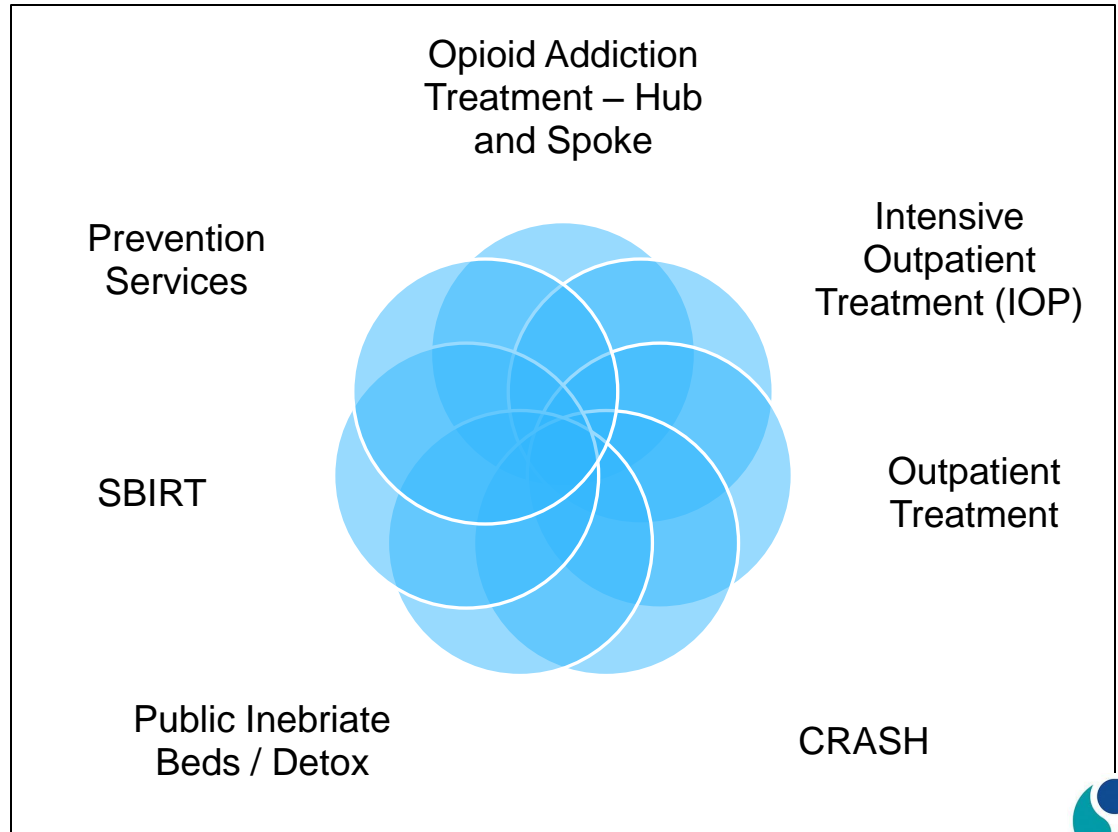
# CHILDREN, YOUTH AND FAMILY SERVICES – PAYMENT MECHANISMS

- \* **Private Insurance – Private Pay**
- \* **Daily Waiver Rate**
- \* **PNMI**
- \* **Monthly Case Rate (JOBS 90 day look back)**
- \* **Monthly Case Rate**
- \* **Bundled Rate System (IFS)**
- \* **Grant Funding**
- \* **Contract Invoicing**
- \* **Medicaid Fee-For-Service**



# SUBSTANCE USE DISORDER SERVICES – PAYMENT MECHANISMS

- \* **Private Insurance – Private Pay**
- \* **Grant Funding**
- \* **Medicaid Fee-For-Service**



# DA System of Care

## Administrative/Operational Complexities

Agencies have multiple funding streams with varied:

- State program oversight with quality reviews for which requirements and processes are unique for each State Department, designation reviews, national accreditation, private insurance audits, annual financial audits, compliance auditing, etc....
- Payment methodologies including:
  - Daily and monthly waiver rates
  - Monthly case rates
  - Fee-for-service
  - Bundled rate system (IFS)
  - Individual program contracts
  - Grants
- Individual Program:
  - Eligibility criteria
  - Documentation criteria
  - Billing structures
  - Reporting requirements
  - Outcome/measurement criteria



# Varying Payment Mechanism Functionality

## CRT Monthly Case Rate

Services "Billed" daily at -0- Rate

6 Month look back at actual services w/ applied rates

Seen w/in 105 day window

3% Variance Report:

Tier payment sensitive to acuity

Cluster w/ 105 Days Variance

Cost Variance: Monthly payments vs. Actual Costs

## Daily Waiver Rate (DS, DMH)

Build budget by service

Calculate daily rate

Bill based on 365 days

Staff enter services under FFS model @ -0- rate

DMH - Annual self audit w/ 3% variance

DS -Service need changes drive budget & rate changes

## Contracts and Grants (Schools, Parent Child Center, etc..)

Outside of our billing system - Accounting Office Invoicing

## Fee-For-Service

Bill individual rate per service

Based on insurance contracts - reimbursement rates vary

Medicaid, Commercial Insurance, Medicare

## Monthly Case Rate (CIS, Bridges, JOBS, School-Based)

Annual Allocation / Target # to Serve

Each program has unique services and rules

Bill monthly for clients who received 15 minutes or more of service

Staff enter services under FFS model @ -0- rate

## Individual Services Budgets (DCF Waivers)

Build budget by service

Bill FFS individual rates

DCF transfer of funds to MH Kids for packaged services

## Bundled Rate - Population Based

Annual Allocation / Target # to Serve

Bundling Funding Streams/Services

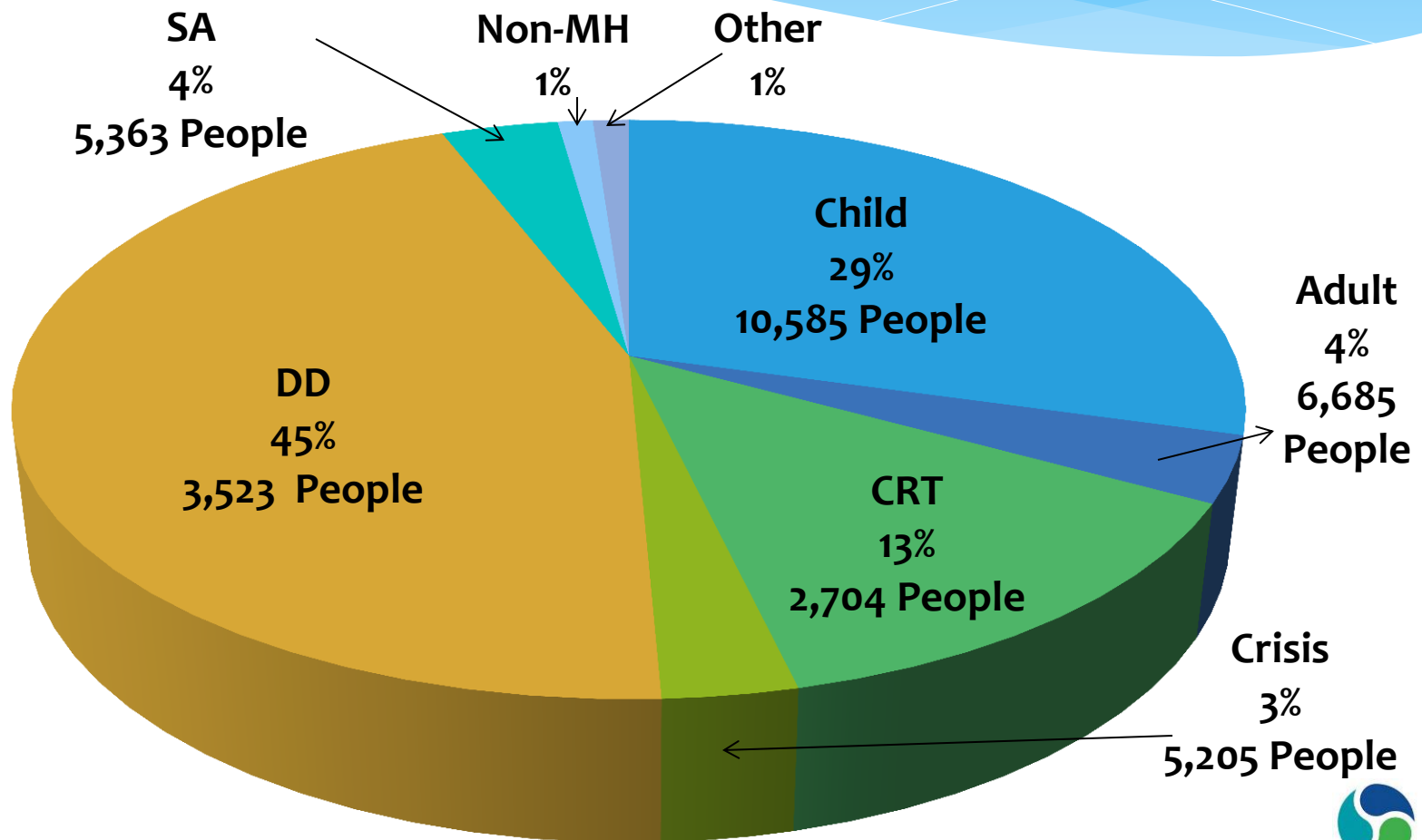
Bill monthly for clients who received 15 minutes or more of service

Formula methodologies to calculate capitated payments and target # served





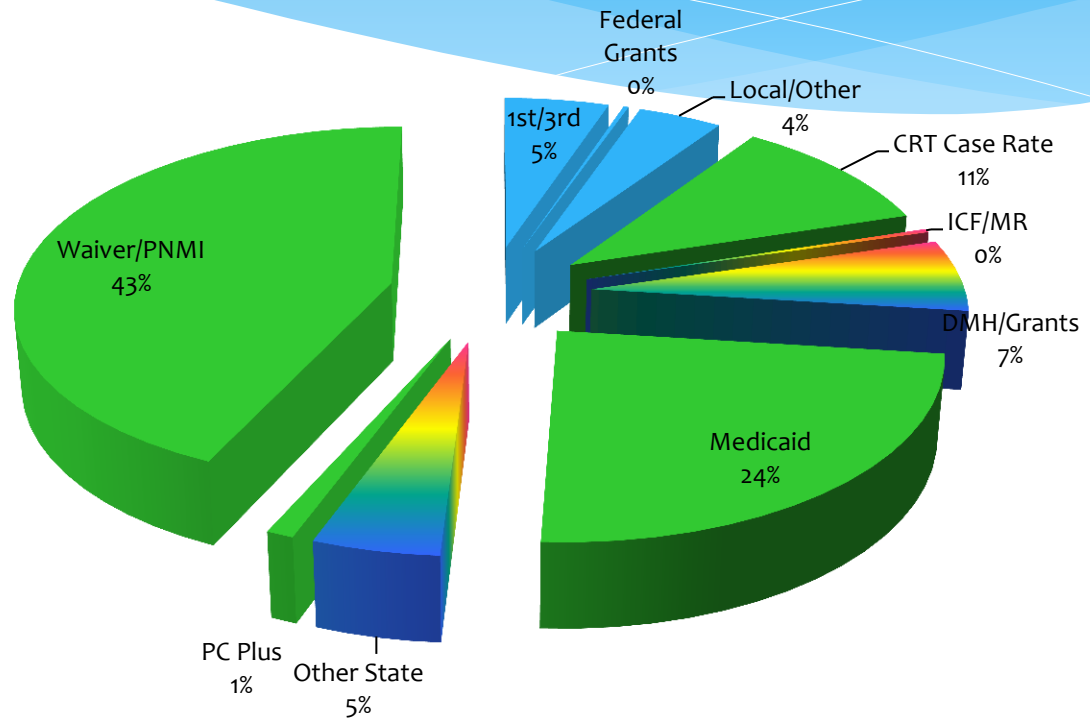
# DA/SSA Expenses by Division



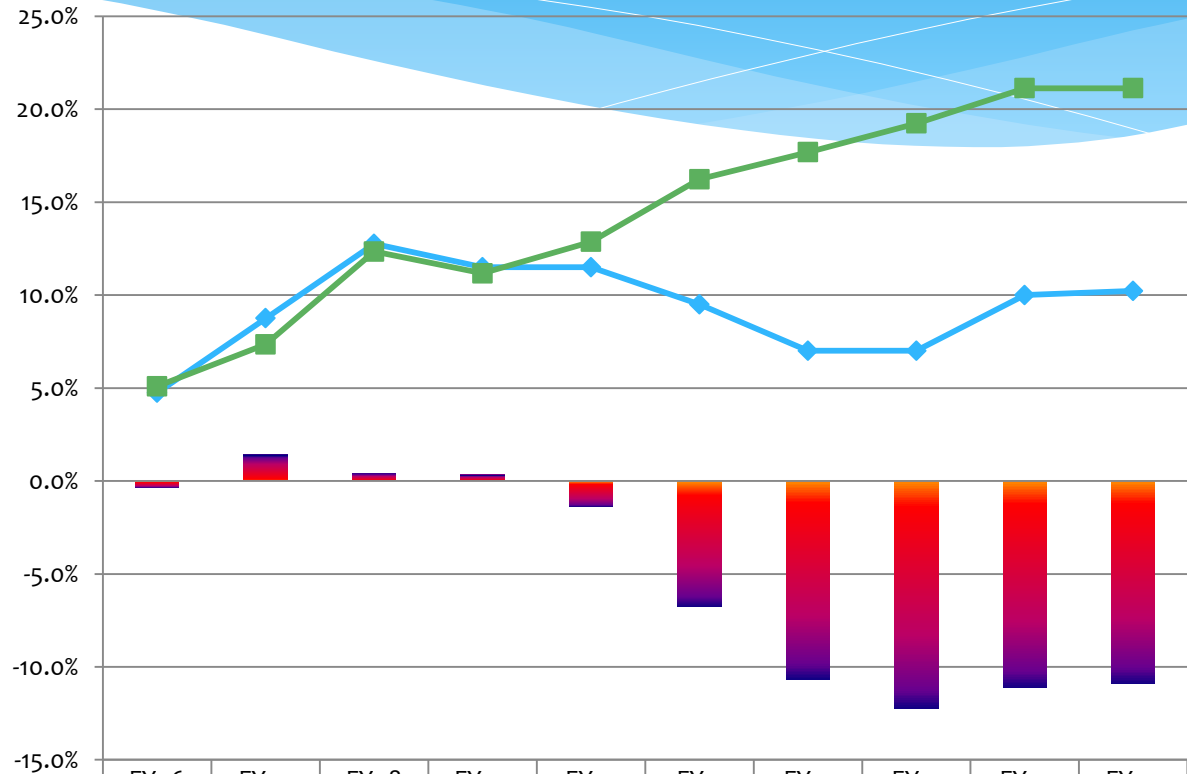
# DA/SSA Revenues

FY2014

\* 79% of DA funding is from varying Medicaid sources and 90% of all funding is from State sources.



# GAP between the New England Consumer Price Index and Inflationary Funding for the DA System FY06-FY15



|  |       |       |        |        |        |       |        |        |        |        |
|--|-------|-------|--------|--------|--------|-------|--------|--------|--------|--------|
| Funding Gap  | -0.3% | 1.4%  | 0.4%   | 0.3%   | -1.4%  | -6.7% | -10.7% | -12.2% | -11.1% | -10.9% |
| Cumulative Inflationary Increase/Decrease Appropriated | 4.75% | 8.75% | 12.75% | 11.50% | 11.50% | 9.50% | 7.00%  | 7.00%  | 10.00% | 10.22% |
| Cumulative CPI* (NE)                                   | 5.1%  | 7.3%  | 12.3%  | 11.2%  | 12.9%  | 16.2% | 17.7%  | 19.2%  | 21.1%  | 21.1%  |



# DA Workforce Turnover

The Biggest Risk to the System

- \* **Staff Turnover in FY2015 was 27.5% Statewide. A significant driving factor is low, non-competitive salaries.**
- \* **Impact:**
  - \* **Disruption in Continuity of Care**
  - \* **Decreased Access to services**
  - \* **Increased expenses for recruitment and training**





# DA System Gains/(Losses) by Division

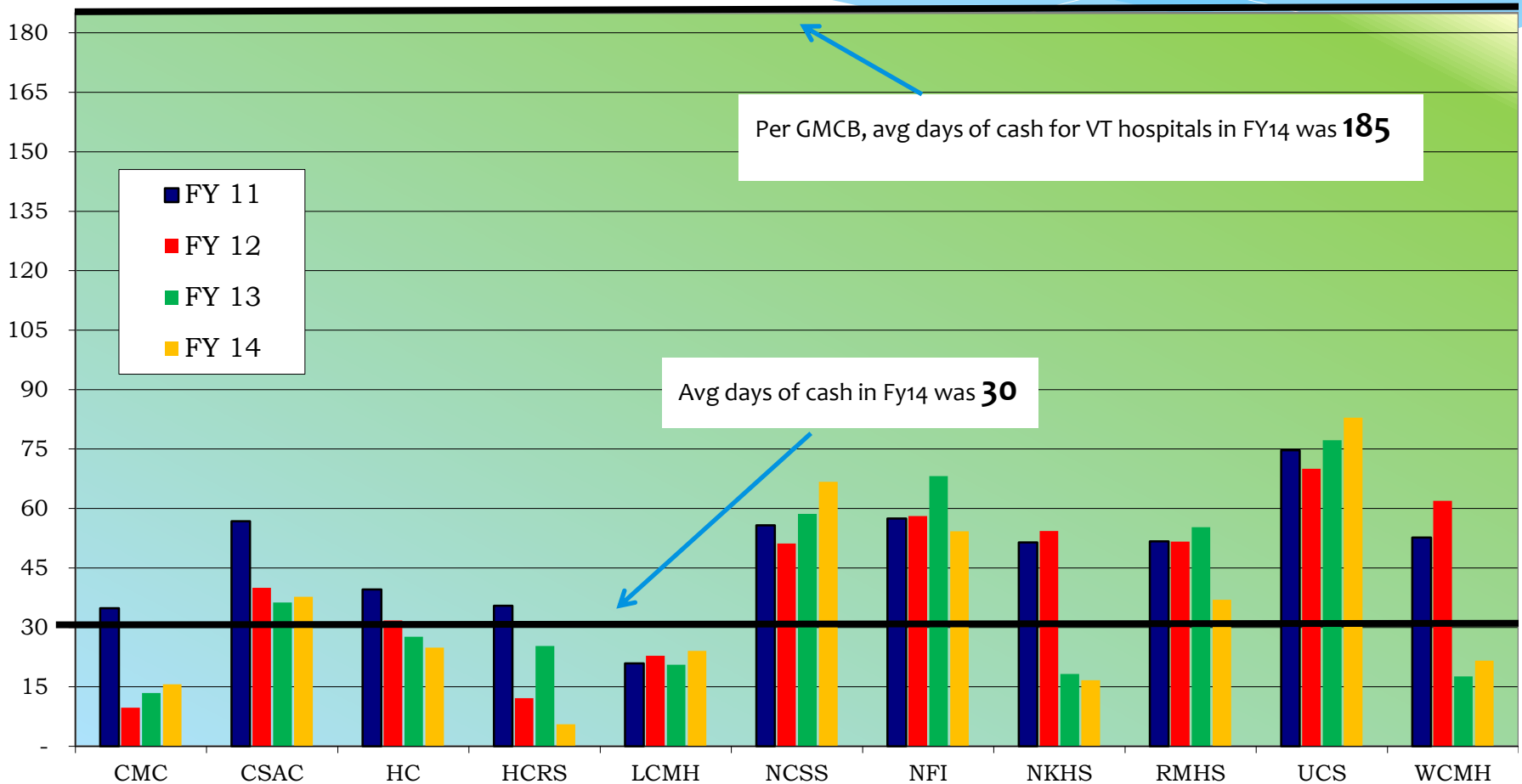




# Days of Cash

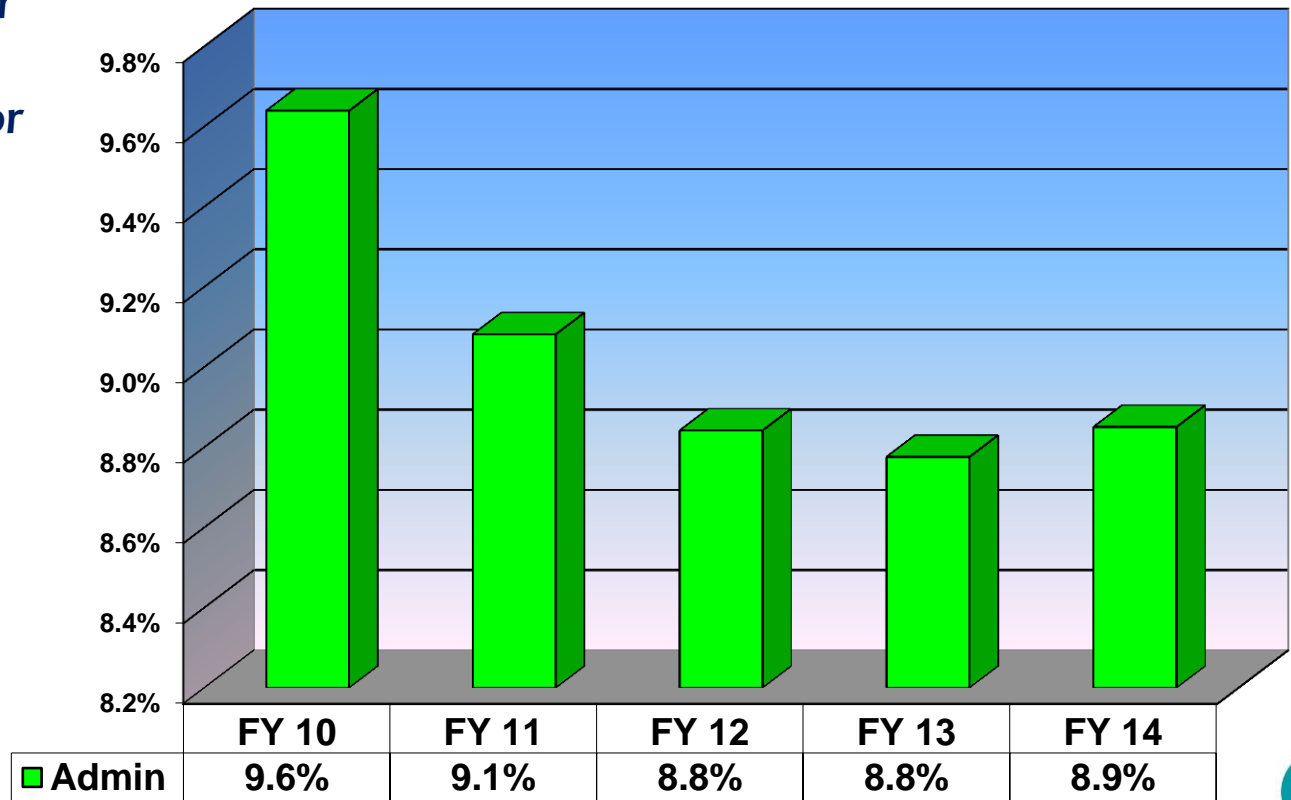
(includes restricted funds)

Fiscal Years 2011-2014



# DA/SSA Average Admin Rates

*Agencies have worked very hard to find efficiencies within their agencies and currently average at below 9% for administration. Includes additional oversight, compliance, EMR implementation, RBA (outcome/performance measurements), data analytics, ACO's, etc...*





# DA/SSA Technology/Data/Quality Performance Measurement Efforts

- \* **Centers of Excellence**
- \* **Results Based Accountability / Outcome Reporting**
- \* **Electronic Medical Records**
  - \* Connectivity with the VHIE
  - \* Meaningful Use / Patient Portal
- \* **Data Repository**
  - \* Streamlining MSR Data
  - \* System-Wide Data Analytics



# DA Health Care Reform Efforts

## INTEGRATED HEALTH

- \* FQHC Integration – Wellness Consultants
- \* Blueprint for Health – Community Health Teams
- \* Police Departments
- \* Emergency Room Case Managers/Crisis Clinicians
- \* Bi-Directional Primary Care

## PAYMENT REFORM

- \* Integrated Family Services
- \* CCBHC Prospective Payment Process (VT declined, starting new process through SIMS)
- \* Accountable Care Statewide Efforts
- \* GMCB / VCHIP Efforts

