

Secretary Hal Cohen
Senate Government Operations Committee
Talking Points for S. 107 Testimony

- 1) On May 29, 2003, H. 450 (ACT 45) was signed by Governor Douglas, calling for a restructuring of the Agency of Human Services.
- 2) With the passing of this Act, the legislature sought to improve client services through a more integrated Agency:
 - a. It is the intent of the general assembly that the agency of human services be structured so that services are provided in a holistic, comprehensive, and coherent way, and public resources are allocated efficiently and produce the best possible outcomes. Direct services provided by the agency and its community partners shall be centered on individuals and families, easy to access, and sufficiently flexible to respond to unique situations.
- 3) In order to effectively meet that objective, stakeholders were actively sought out for their input.
 - a. This included the creation of a Stakeholder Advisory Group that was formed to help guide the restructuring effort.
 - b. This group was chaired by the Executive VP of the Vermont Medical Society, just one of the key stakeholder groups supportive of this effort.
- 4) Since being restructured, AHS has made considerable advances in how we deliver services to Vermonters.
 - a. We have remained committed to the intent of Act 45, to provide Vermonters with services in a “holistic, comprehensive and coherent way” that produces “the best possible outcomes”.
 - b. We have been able to achieve multiple successes in that effort because the six Departments - DVHA, DCF, DOC, DMH, VDH and DAIL - that provide these services do so under the unifying umbrella of this Agency.
 - c. The expanded use of Medicaid throughout the Agency enables us to link traditional health care; mental health care; and substance use disorder services to address the social determinants of health which we know have a profound impact on both health and health care costs.
 - d. The current structure of the AHS allows the Secretary to set the vision and lead an integrated agency, bringing Commissioners together for cross-Agency efforts and holding Departments accountable for their work.

- e. Individuals and families are better served and their needs can be addressed holistically when all six departments are connected.
- 5) The Agency has also put in place strong and highly experienced management teams.
- a. From the Secretary's Office to the Commissioners at each Department and the leadership supervising the Agency's 12 field offices, AHS boasts an impressive level of management expertise.
 - b. Senior leadership from all departments meet weekly; coordinate opportunities to take on initiatives that further the holistic delivery of care and services; and help provide a cohesive all-Agency relationship between AHS and community partners that further strengthens how we serve Vermonters.
- 6) The Agency has also established a comprehensive organizational infrastructure.
- a. This infrastructure supports inter-departmental collaboration
 - b. Has been designed to facilitate our ability to meet the needs of the populations that the Agency serves
 - c. It is both a robust and nimble structure – meeting the demands of today but readily able to adapt in order to keep pace with the rapidly changing health and human services landscape in which we work to achieve the Agency's mission.
- 7) Naturally, health care is a significant focus for the Agency.
- a. However, health care isn't just about how you make people better when they are sick.
 - b. Health care must also focus on prevention and the issues many Vermonters face that can have a negative and lasting impact on both their physical health and their overall wellbeing.
- 8) Poverty, employment, housing, incarceration, substance use, education – these and other social determinants are the foundation of good health. They can also be barriers to it.
- a. It is critical for us to address the social determinants of health, and the Agency's current structure best addresses the relationship between health

and the conditions in which Vermonters live, learn, work, and play - conditions that influence a wide range of health risks and outcomes.

- b. The integrated structure of the Agency enables us to focus on those issues collectively (i.e. current Stat process on substance abuse which involves all six Commissioners).
 - c. As an Agency, we are focused and are a state leader in building Agency-wide accountability efforts using Results Based Accountability (RBA) at both a whole population level and at a program level to measure the success of specific programs.
 - d. We have an AHS Scorecard which operates on both levels of accountability and are working with departments to fully flesh out their own Scorecards which they will use to identify physical and behavioral health outcomes across all Vermonters and to manage performance within programs.
 - e. The Agency has recently completed a comprehensive 3-year strategic plan that builds on this holistic, comprehensive and coherent approach to service delivery and addressing key issues facing Vermonters.
- 9) The goals and strategies build on the Population Act 186 in 2014.
- a. The plan's 5 overarching goals are:
 - i. Increase access to substance use disorder services
 - ii. Strengthen and support families with complex needs
 - iii. Increase housing stability
 - iv. Decrease the number of people who recidivate to prison
 - v. Reinforce accountability
- 10) The current organizational structure of the Agency enables us to look at these issues, identify strategies to address them that cross departments, and leverage resources and expertise in ways we simply would not be able to do with the same ease, efficiencies and coordinated effort that we are able to do today. Some examples of this integration:
- a. Children's Integrated Services
 - b. Family Integrated Services

- c. Family Supported Housing
- d. Reach Up Mental Health and Substance abuse services
- e. Creative Workforce Employment
- f. Blueprint for Health
- g. Hub and Spoke - substance abuse treatment system of care

11)S.107 would significantly impact our Global Commitment/Medicaid operational structure. Some of the issues that would need to be addressed:

- a. Global Commitment is managed by the Secretary's office from a reporting, budgetary and accounting perspective. As such, it will be challenging to dismantle the centralized structure. Below are a list of issues that will need to be addressed:
 - i. How will LTC be managed between DVHA and DAIL?
 - ii. Role of Rate Setting across the departments
 - iii. Impact on Waiver negotiations with CMS
 - iv. How will MCO investments be managed?
- b. The State Medicaid budget for FY17 is \$1.6B
 - i. Right now, these funds benefit from central financial oversight based in the Secretary's Office.
 - ii. The Agency manages a centralized cost allocation plan – what is the impact if the agency is split in two?
- c. The Agency has a centralized financial draw process. How will this work going forward with two agencies?
- d. There will be a loss of indirects for the restructured agency.
 - i. Last year, the Agency estimated that loss at \$1.18M

12)The Future of Human Services includes:

- a. Continuing work to integrate health care and moving towards parity in payment and coverage for physical and mental health.

- b. No wrong door for access to services.
- c. An expansion of payment reform- through its participation in the Vermont Health Care Innovation Project (VHCIP) AHS is coordinating with public and private stakeholders to coordinate state-wide work around payment reform. One current goal is to create standard terminology and goals in order to facilitate operational definitions for use in comparing methodologies and determining those that have the most promise for the Vermont system of care.

Link to 2004 Reorganization bill:

<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2004/acts/ACT045.HTM>