

Vermont Care Partners and Designated Agency

Testimony to House Appropriations Committee



February 2017

Vermont Care Partners

**Vermont Care Partners is a collaboration of two organizations,
Vermont Council of Developmental and Mental Health Services
Vermont Care Network**

**We work together on behalf of our statewide system of care to
provide statewide leadership for an integrated, high quality system
of comprehensive services and supports**



***WORKING TOGETHER,
people in Vermont can live healthy, safe and satisfying lives in
their communities....***



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 the limits of available resource*
- * Specialized Service Agencies (SSA's) provide a distinct approach to services or meet distinct service needs*
- * Many Designated Agencies are also preferred providers of substance use disorder services*
- * All agencies are mission-driven non-profits who provide person-directed services and supports under the direction of governance boards who have consumer/family majorities*



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

- *This system of care is essential to Vermont's safety net, economy and health care system because enable youth to succeed in school, support people to work, live in stable housing, contribute to their communities and lead healthy lives*
- *By statute we address the needs of mandated populations, plus we promote health and wellness and meet community needs, including crisis intervention and disaster response*
- *If the system fails it will have a profound impact on the safety net for vulnerable Vermonters and place additional demands on health care, schools and public safety and criminal justice services*



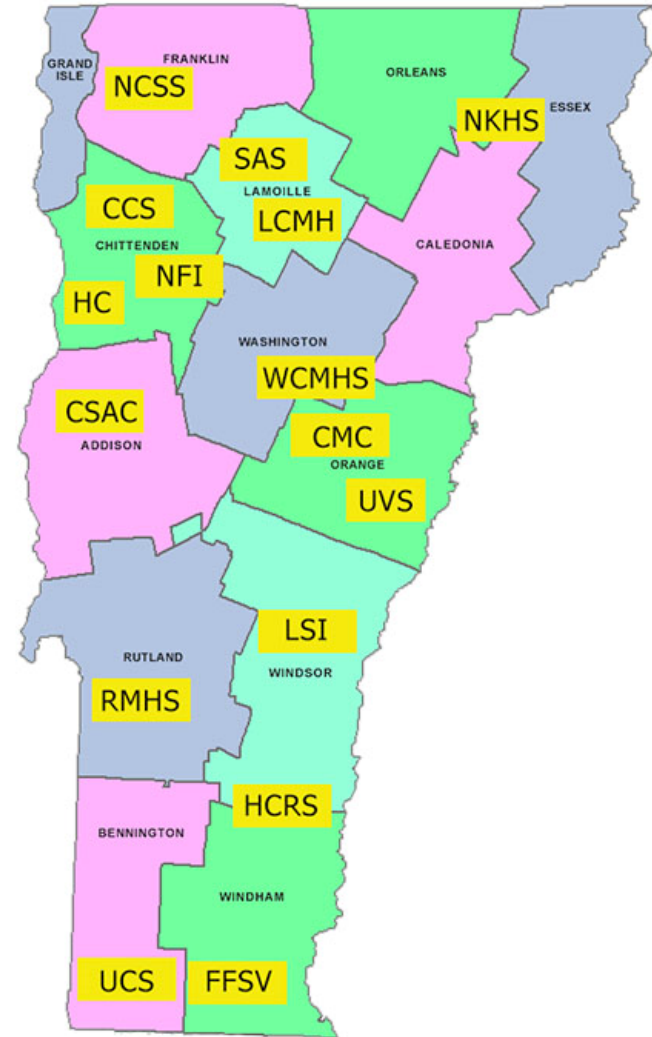
A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

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)
Pathways for Housing (not a VCP Member)
Specialize community Care (DS only, not a VCP
Member)



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*



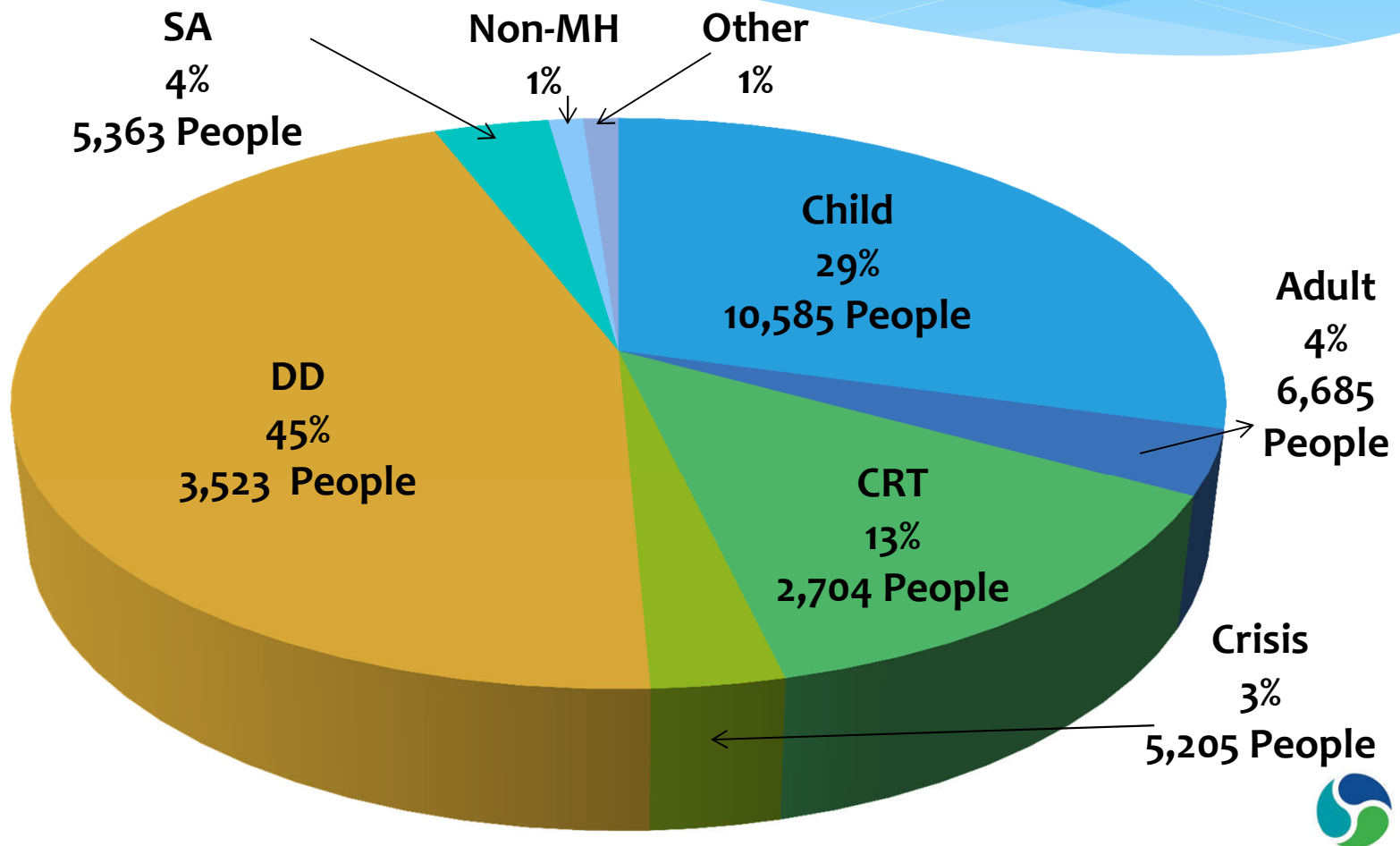
Community Programs

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.
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

Results Based Accountability Highlights*

- * **Excellent Employment Outcome**
 - 25.2% of adults with serious mental illness were employed compared to 21.7% nationally
 - 48% of people with developmental disabilities are employed compared to 35% nationally
- * **Low Inpatient Utilization**
 - 29% of adults with serious mental illness and children with severe emotional disturbance use inpatient hospitals compared to 71% nationally
- * **Reductions in Incarceration**
 - 54% of people screened for public inebriation were diverted from a correctional facility and 73% of them accepted referrals for services
- * **Supporting students to thrive and avoid institutional care**
 - 63% of schools have embedded clinical and behavioral interventionists reducing the use of residential and institutional placements
- * **Vermont is one of a handful of States without a State School for people with Developmental Disabilities**

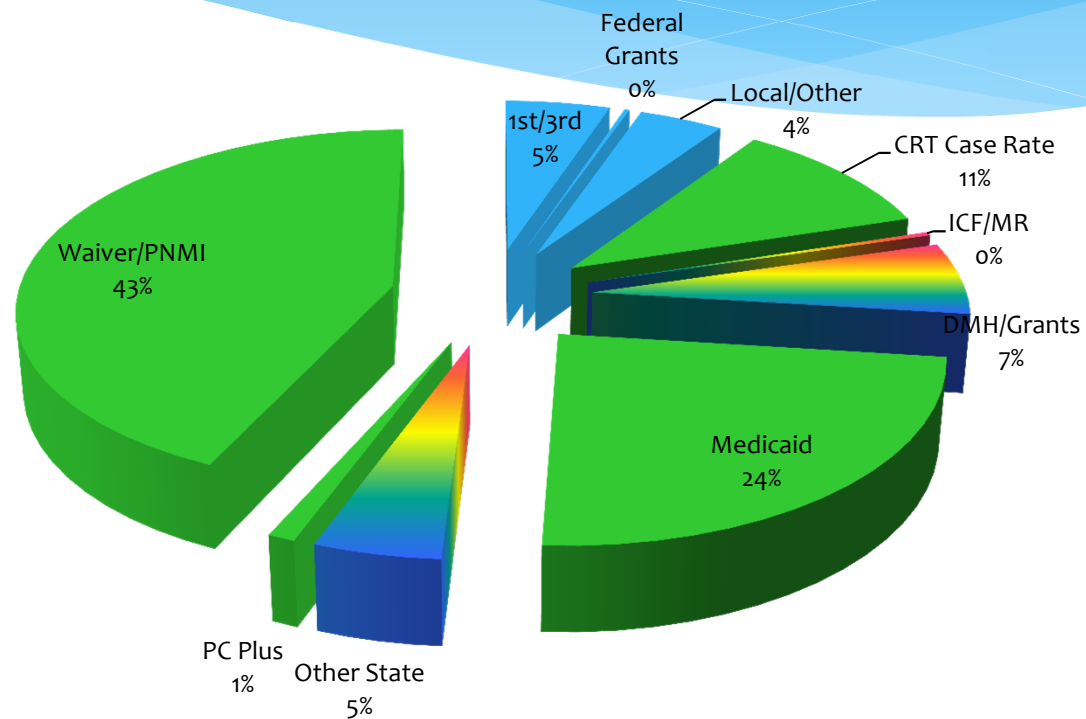
DA/SSA Expenses by Division



DA/SSA Revenues

FY2014

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

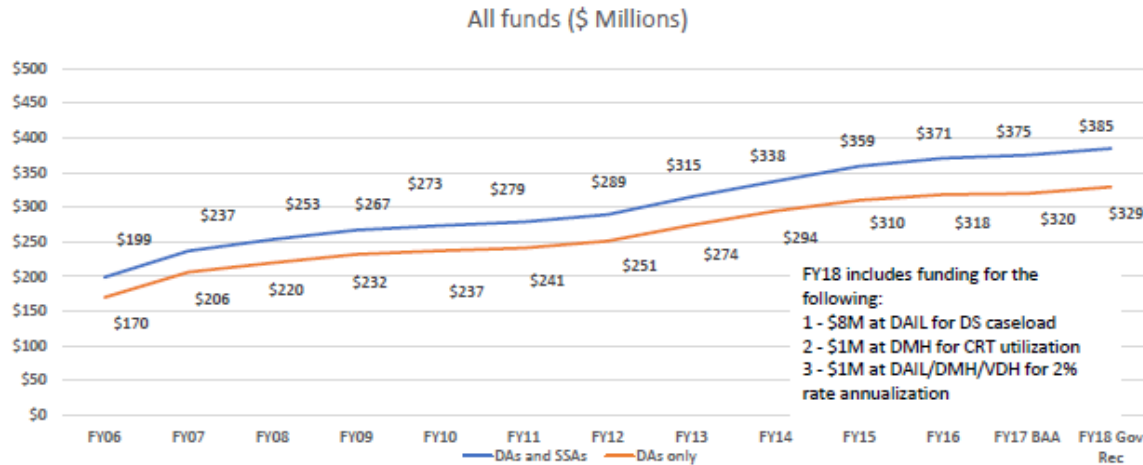


Fiscal Challenges

- * Funding for designated agencies is capped and does not reflect increasing demands for services or the increasing acuity of the people served
- * Medicaid rates are too low to fully fund the cost of services, leading to low staff compensation, high caseloads and challenges with providing the most effective treatment modalities
- * Some services are unfunded or underfunded, including crisis services, guardianship evaluations, eldercare and services to very high needs individuals with developmental disabilities
- * The system of care has not received annual cost of living adjustments (COLAs) to keep up with inflation or services directly provided by state government
- * Unlike some other health providers cost-shifting is not an option

AHS Funding for Designated Agencies and Specialized Services Agencies

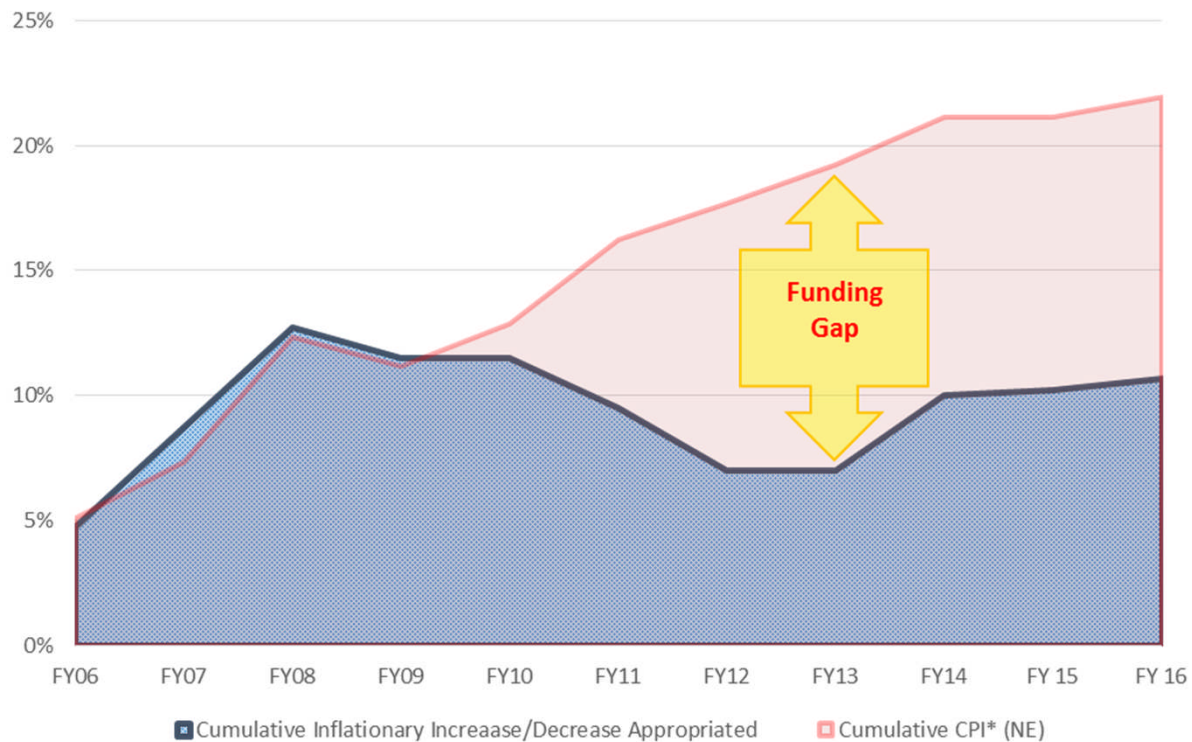
AHS Funding for Designated Agencies and Specialized Services Agencies



Data Source: E-fins.

The Gap Between inflation and Funding for Designated Agencies

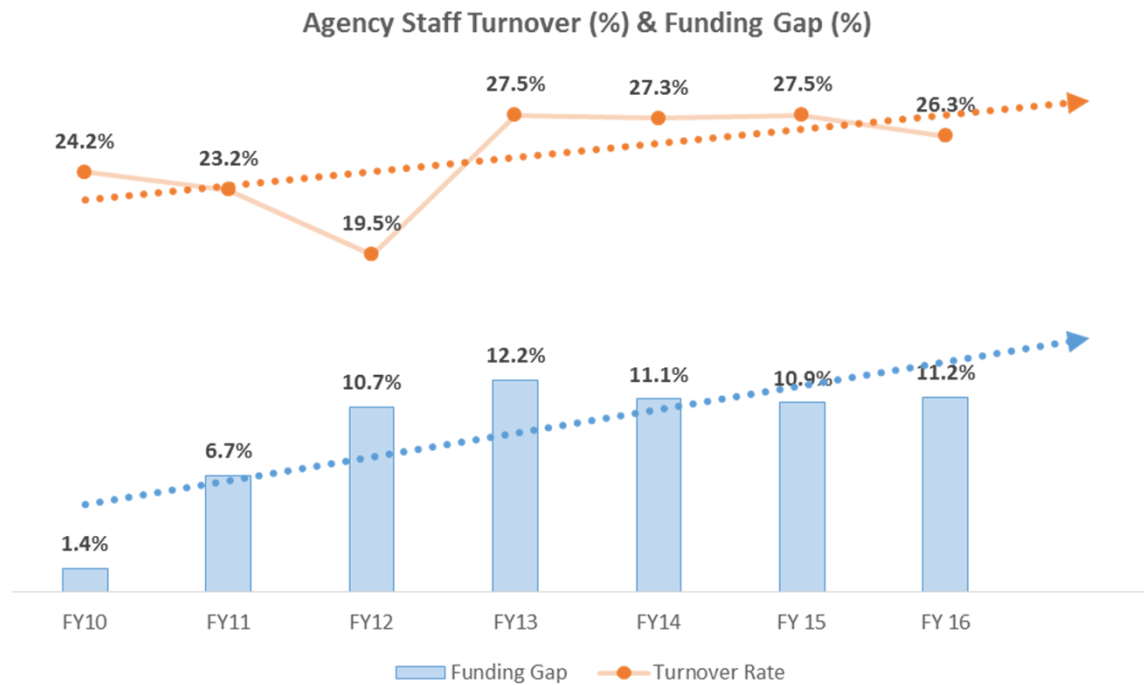
CPI Allocated (%) & NE Cumulative CPI (%)



Workforce Challenges

- * Staff turnover in FY16 was 26.3% due to uncompetitive compensation*
- * There are 400 staff vacancies system wide with some agencies having 10% or more positions vacant*
- * BA level staff earn salaries \$18,000 below equivalent state employees and licensed clinicians earn \$16,000 less. We compete for staff with health care providers and schools who offer higher salaries, too*
- * It would take over \$43 million to raise direct care salaries up to the level of state employee.*
- * Recruitment and training costs \$4,160 per position. Therefore over \$4.6 million per year must be redirected away from direct service.*
- * The impact of workforce challenges on the people we serve is reduced access, continuity and quality of care*

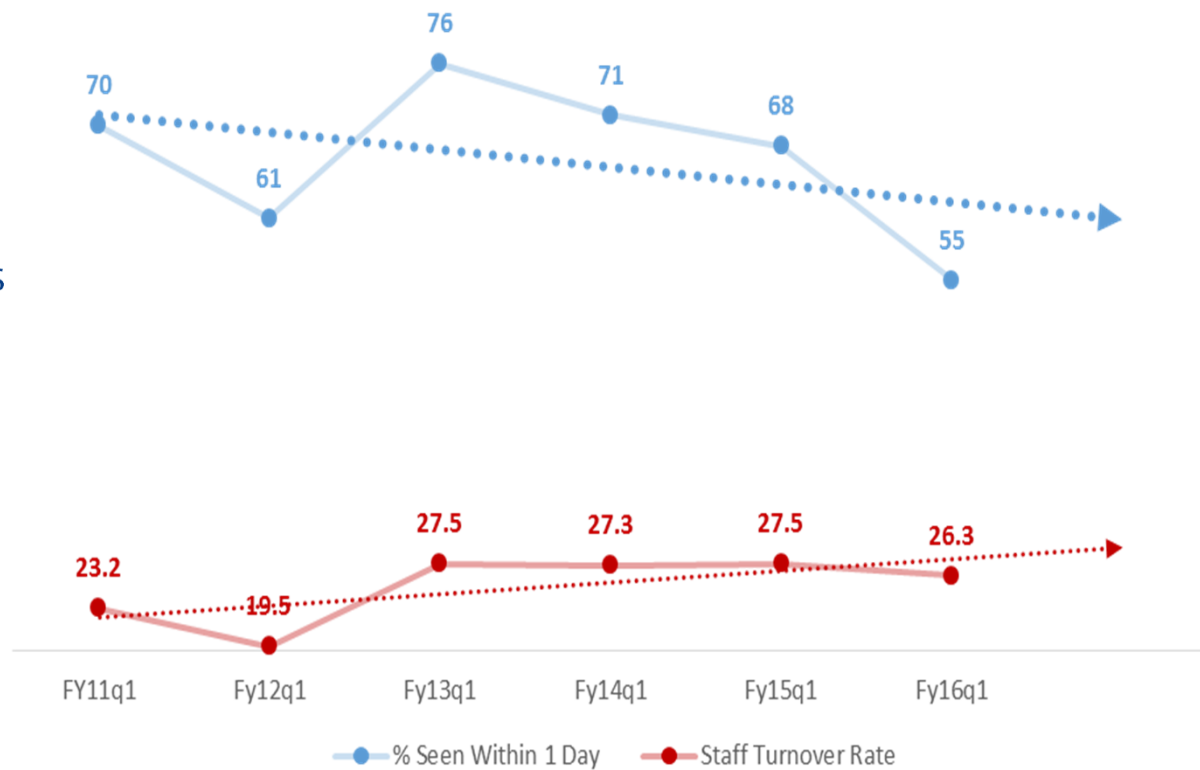
Funding and Staff Turnover Relationship



One Example Impact of Turnover on Quality of Care

The percent of CRT clients seen within 1 day of discharge and overall turnover rate within the DA and SSA system.

Follow up After Psychiatric Hospitalization (%)
& Staff Turnover (%)



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* 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

Level funding in FY18 will lead to lost services

Given the challenge of high vacancies and turnover agencies must raise compensation and will be forced to reduce services if level funded:

- * Closing Residential facilities – may increase homelessness
- * Reductions in Group Therapy and other outpatient services – may increase pressure at ERs
- * Reductions in Applied Behavioral Analysis for children with Autism
- * Reductions in job development and employment supports on top of the \$1 million in federal VR reductions
- * Reductions in community services: case management, independent living skills training, mental health peer services, early childhood services to families, consultation to childcare centers, psychiatry and nursing services
- * Reduction in crisis services – in hospitals and follow-up services

Recovery and Healing Happen When:

- * **Teams are coordinated and collaborative**
- * **Providers are skilled, experienced, and supported**
- * **Vulnerable Vermonters are served flexibly in their communities**

Investing in community based services can prevent the need for higher acuity and more costly services