

DMH Talking Points FY 18

Personal Services Salary and Fringe

Gross: \$1,269,084 GF: \$586,229
Annual salary and fringe increases

Workers Compensation

Gross: (\$23,931) GF: (11,075)
Decrease due to Workers Compensation allocation.

Contract savings

Gross: (\$100,969) GF: (\$46,399)
Contract savings associated with the Dartmouth employment contract. This work is now being done by an internal DMH employee.

Internal Service Fund Changes

Gross: (\$104,329) GF: (\$47,766)
This is annual allocation of internal service funds, such as insurance, fee for space, Human Resource allocation, VISION, etc.

One-Time Operating Savings (E H R contract)

Gross: (\$115,000) GF: (\$53,222)
The original projection for the E H R at Vermont Psychiatric Care Hospital was \$2.5M based on bids received. DMH projected paying for the implementation of the E H R cost using the equipment revolving fund with a pay back of 5 years at an estimated \$500K per year. The new estimated annual need for the E H R based on the actual contract will be approximately \$385K. There is no programmatic impact to this reduction.

2% DA increase annualization

Gross: \$418,096 GF: \$193,495
This is the annualization of the 2% increase allocated to the Designated and Specialized Service Agencies in FY 17, which began on September 1.

VCPI – Annualization of FY 17 request

Gross: \$12,000 GF: \$5,554
This is to annualize the funding appropriated in the FY 17 budget to support the base operations of Vermont Cooperative for Practice Improvement (VCPI) after the loss of the Olmstead grant. The work of

VCPI supports best practice service delivery for both hospitals and DA's. Seclusion and restraint reduction in hospitals, co-occurring disorders treatment, open dialogue for early engagement of transitioning adults.

Adult Inpatient:

Gross \$376,921 GF: \$174,439

Act 79 requires reasonable actual reimbursement of costs for the Level I hospitals, thus there have been inflationary factors as well as a reduction in Medicare payments (lifetime max limits) due to individuals running out of Medicare days.

Adult Community Rehabilitation and Treatment (CRT) Utilization:

Gross: \$1,087,513 GF: \$503,301

This is associated with the difficulty of care programs to keep individuals out of hospitals where hospitalization is not necessary for treatment.

The Difficulty of Care payments are for a small cohort of the CRT population, all of whom have significant histories of lengthy and repeated hospitalizations, interactions with the criminal justice system or ongoing, difficult to mitigate dangerous behaviors resulting from their mental illness. If the Difficulty of Care payments were to be withheld, we would see an increase in people in need of Level 1 inpatient services with few community options for placement if/when stabilization was achieved. Increasing the demand on the limited resource of Level 1 beds would have a direct impact on people's ability to access appropriate levels of care in a timely fashion and there would be a spike in number of people waiting in Emergency Departments for placement and an increase into their length of stay while waiting. Typically, the Difficulty of Care plans are cheaper than the cost of maintaining someone in an inpatient setting, so the overall impact would be more people residing in hospitals, for longer periods of time at a greater cost.

Grant Savings

Gross: (\$44,500) GF: (\$20,595)

This is savings associated with rent at Vermont Legal Aid.

AHS/AOA changes:

Transfer from DAIL for Accessing Resources for Children (ARCh):

Gross \$252,756 GF: \$116,975

This is to cover the costs of 2 additional skills workers for the ARCh program, and to serve an additional 40 kids with 2 more service coordinators to address their waiting list. The ARCh program provides an array of services including service coordination, community skills work, collateral contact/family outreach, supportive counseling and behavioral consultation (individual and group) to children, up to age 22, who are identified as having a mental health and/or developmental disability and for whom the services is determined medically necessary.

1. Targeted Case Management as defined in the state plan for children with Developmental Disabilities as defined in the DAIL System of Care.
2. Psycho-social Rehabilitation/Specialized Rehabilitation as defined in the state plan and the DMH Fee-for-Services Medicaid Manual. This service includes service coordination, community skills work, collateral contact/family outreach, supportive counseling and behavioral consultation (individual and group) to all children who are identified as having a mental health and/or developmental disability and it is determined medically necessary.

Transfer to DCF to finalize the CIS rate which reduces New Leaf funding to WCMH:

Gross (\$51,000) GF: (\$23,603)

New Leaf is a WCMH child care setting that provides Mental Health services to children and their families birth to three. The funding was reduced and will be transferred to DCF's budget from DMH's budget. In FY 17, \$267,821 was transferred to DMH from DCF to pay for this program. A partial reduction was planned for FY 17, continuing into FY 18 with a full \$51K reduction annually.

Adjustment to 2% DA Increase (AHS net neutral – move funding to VDH and DAIL)

Gross: (\$653,242) GF: (\$302,320)

This is to adjust the allocation of the 2% funding increase which was granted to the Designated Agency and Specialized Service Agency community in the FY 17 budget session.

53rd Week Base Funding Rescission

Gross: (\$875,003) GF: (\$404,951)

This is a rescission taken by Department of Finance and Management.

GC Admin to Medicaid Admin swap:

Gross: \$0.00 GF: \$228,464

This reflects an outcome of the Global Commitment waiver renewal where Medicaid Administrative costs are now considered to be "outside of the waiver" effective January 1, 2017. As such, there is movement of funding from Global Commitment to State and Federal Funds.

In addition, the Medicaid administrative match rate will change so that some areas previously eligible for a program match rate of approximately 54% will now draw federal funds at the administrative match rate of 50%.

SUMMARY:

	<u>Gross</u>	<u>GF</u>
DMH FY 18 Request:	\$1,448,396	\$898,526
AHS/AOA changes:	(\$1,326,489)	(\$385,435)
Balance of DMH FY 18 Request:	\$2,774,885	\$1,283,961