

**Vermont Care Partners
Fiscal Challenges
FACT SHEET**

- **Designated and Specialized Service Agencies need a significant investment in our base funding plus annual COLAs to achieve a viable and sustainable system of care with livable wages for our staff**
 - COLAs received by the DA/SSAs over the last 10 years are 11% behind the New England CPI
 - We need to stabilize this system after years of cuts and increased uncovered costs such as health insurance, electronic health records development, etc.

- **Our \$395 million System of care is essential to VT's safety net, economy and health reform efforts**
 - 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 successful cost avoidance of emergency room , inpatient and institutional care
 - Substance abuse services to address Vermont's opiate crisis require adequately paid staff
 - Our services are essential to address child abuse and neglect, and for kids to succeed in school
 - Our services reduce costs in the criminal justice system
 - We help people achieve employment and stay in the workforce

- **Low Medicaid rates lead to inadequate compensation to 13,000 workers & reduced quality of care**
 - Recruitment and retention of skilled and trained staff is a growing challenge because of low compensation, that does not keep up with inflation
 - Bachelors level staff earn salaries \$18,000 below state employees for equivalent work and licensed clinicians earn salaries more than \$16,000 below state employees for equivalent work
 - As a percentage the pay differentials between DA staff and staff with similar credentials in state government vary from 28.6% to 59.2%
 - Raising the DA and SSA direct care workers compensation up to the level of state employee compensation would require an investment of over \$43 million
 - Quality of care is based on long lasting, trusting relationships that are disrupted by our staff turnover rates that average 26.3%
 - With 400 staff vacancies system wide, some agencies have 10% or more empty positions, reducing access to needed services and supports
 - Costs related to turnover, such as recruiting, on-boarding, lost productivity and training average at least \$4,160 per position. With 1124 staff turning over per year; this means that \$4,675,840 is unavailable to pay for needed services.

- **Unlike other health providers we can't cost shift to commercial insurance**
 - Designated Agencies depend on Medicaid and state appropriations for 90% of our revenues

- **There is increasing demand for Developmental Disabilities, Mental Health and Substance Use Disorder Services**
 - Recent growth in the Developmental Services budget is due to new people and services; costs per person have remained constant and are below the national average
 - More babies now survive with life-long disabilities and health conditions
 - More people with disabilities live to be senior citizens with multiple needs
 - We are seeing an increase in some health conditions: autism, early on-set Alzheimer's disease, addictive disorders, and mental health challenges for children and families
 - In spite of new investments hundreds of Vermonters are waiting for treatment for opiate addiction effecting the well-being of children and families, as well as public safety

Investing in the Designated and Specialized Service Agency System of Care Maximizes the Value of Public Resources

Substance Abuse and Mental Health Conditions Impact Most Vermont Families

Over 18% of adults have a mental, emotional or behavioral disorder each year and 50% of people will experience a mental health condition over the course of their lives. Over 8% of individuals ages 12 and over have substance use disorders. The prevalence of developmental disabilities has been growing as more people are identified and live longer with health conditions and disabilities.

Serving our Communities

The DA/SSA provider network touches the lives of 50,000 Vermonters each year. Last year Agencies responded to 50 community crises and disasters and our crisis teams served 7635 individuals, most of whom were not clients of the agencies.

Return on Investment in Health Care - Immediate and Long Term

Our network saves money each day through the use of crisis beds at the cost of just \$500 per night as an alternative to Inpatient care at VT Psychiatric Care Hospital which costs \$2,177 per night. The social determinants of health have a 50% impact on one's health and behaviors related to tobacco use, diet and exercise, alcohol and drug use and sexual activity have another 30% impact. We place a strong emphasis on these social determinants through our care management and community supports services that promote health and wellness and through collaborations with primary care providers, hospitals and population health initiatives.

Saving the Costs of Institutional Care

Community developmental disability services are far less costly than institutions. The average annual cost for a state institution in 2015 was \$256, 230 while the average annual cost for community services in VT was \$57,218 in FY16; saving Vermont taxpayers \$599,026,120 annually.

Supporting our Economy and Tax Base through Increasing Employment

Mental health disorders are a primary reason for employment related disability, but with treatment employment rates improve. Our nationally and internationally recognized programs help people find and maintain jobs with superior rates of employment for people with severe mental illness and developmental disabilities, at 29% and 48% respectively. In FY16 the JOBS program enabled 144 at-risk youth with significant emotional or behavioral disorders to maintain jobs for 90 days or more.

In FY16 We supported 1,260 adults with developmental disabilities to work. They earned an average of \$10.33 per hour and Social Security Disability payments were reduced by \$1,771,185. Individuals earned an estimated \$4,357,770 in wages, which resulted in tax contributions of \$666,739.

Reducing Involvement with Law Enforcement and the Criminal Justice System

Innovative programs such as Street Outreach Workers, Police Social Workers and Treatment Courts have successfully reduced interventions with law enforcement and incarceration. Our services, such as the IPLAN program in Bennington, also reduce recidivism rates.

Improved Success in School

We support young children to be ready for school and provide services in 63% of schools. The data shows these school-based services improve attendance and academic performance, while reducing behavioral problems.

Reductions in DCF custody

The Howard Center identified 311 times in one year that a First Call intervention prevented a child from going into DCF custody.

Vermont Care Partners
Designated and Specialized Service Agencies
Testimony to Senate Appropriations Committee

April 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

- * *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*



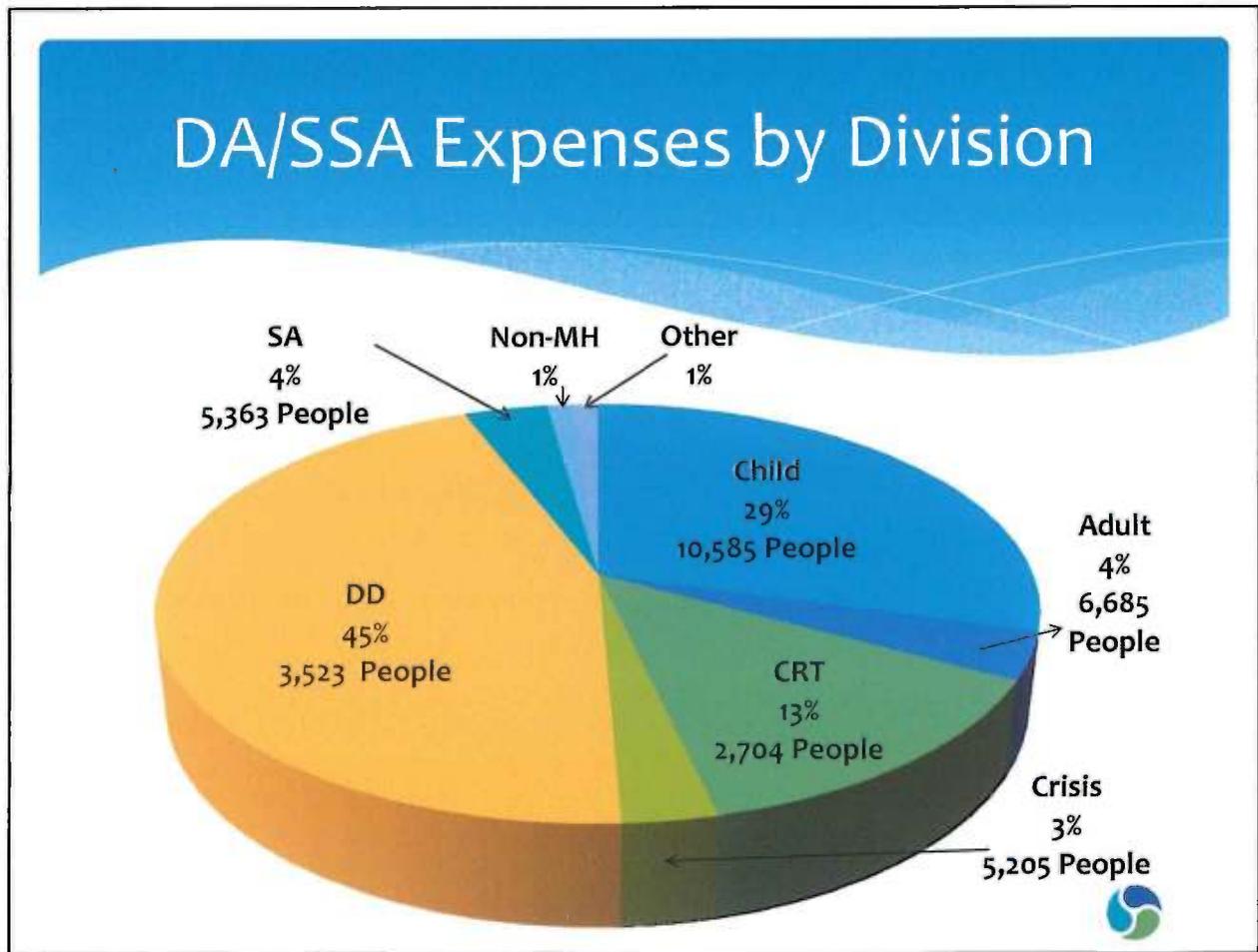
Community Programs

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**

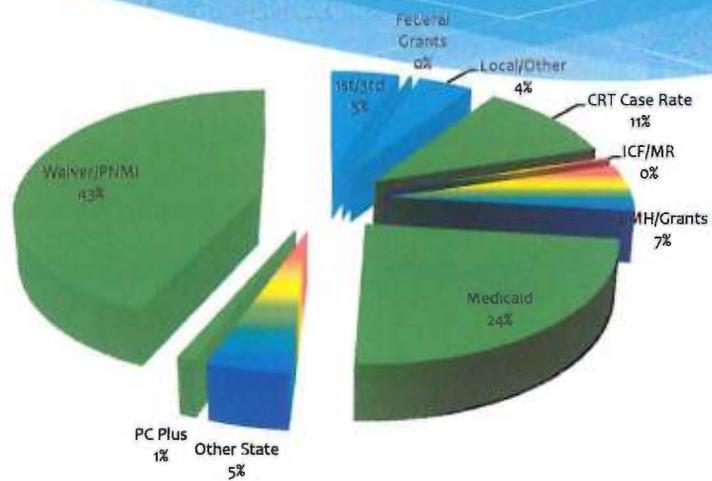
http://vermontcarepartners.org/news/files/116-FINAL2016_VCP-Outcomes_WEB_021617.pdf



DA/SSA Revenues

FY2014

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



Fiscal Challenges

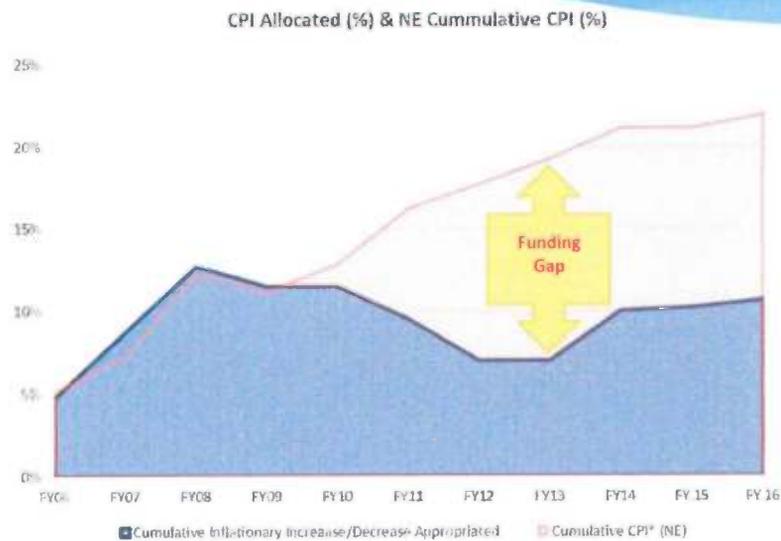
- * Funding for designated agencies is capped and does not reflect increasing demands for services or the increasing acuity of the people served
- * Medicaid rates are too low to fully fund the cost of services, leading to low staff compensation, high caseloads and challenges with providing the most 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



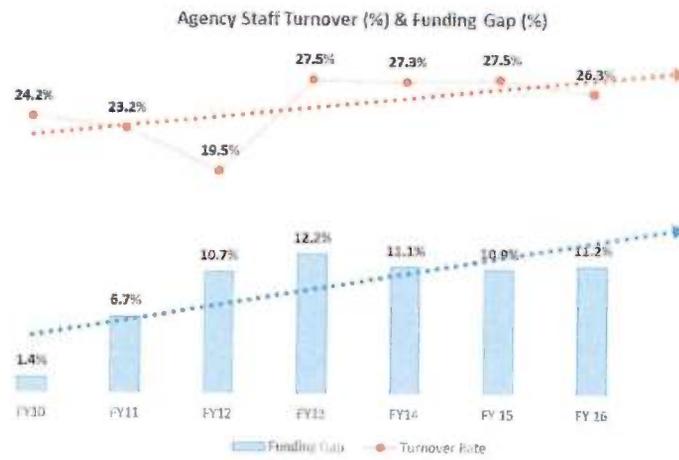
The Gap Between inflation and Funding for Designated Agencies



Workforce Challenges

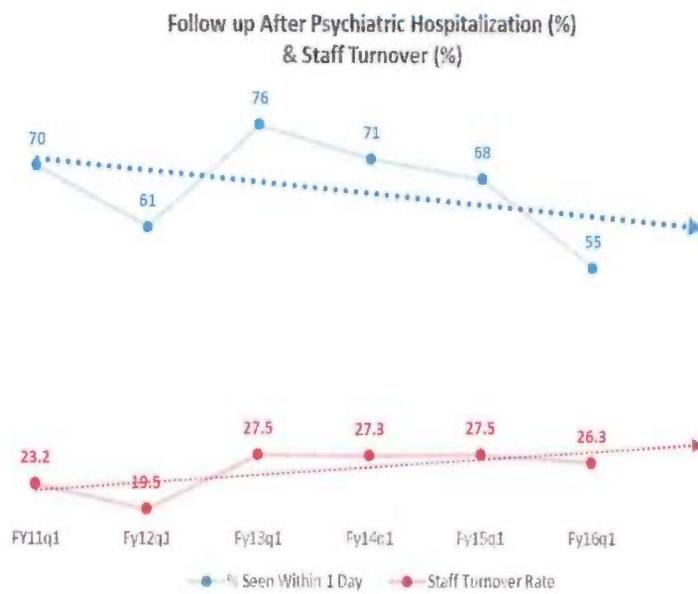
- * *Staff turnover in FY16 was 26.3% due to uncompetitive compensation*
- * *There are 400 staff vacancies system wide with some agencies having 10% or more positions vacant*
- * *BA level staff earn salaries \$18,000 below equivalent state employees and licensed clinicians earn \$16,000 less. We compete 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.



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

* Cost Comparisons:

- *Cost of hospitalization (RRMC, FAHC, BR) \$511,000/yr*
 - *Level 1 Daily Rates: RRMC : \$1,375 BR: \$1,425, Average: \$1,454*
- *Cost of hospitalization (VPCH) \$794,605/yr*
 - *Daily Rate: \$2,177*
- *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 \$32,336/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 Emergency Departments in hospitals
- * 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

Strategies for Growing Efficiency

- * Streamlined quality assurance, inclusive of RBA and Centers of Excellence
- * System-wide data repository and data analytics
- * Streamlined processes for data quality continuous quality improvement
- * Single entity contracting

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