



STATE OF VERMONT
HOUSE OF REPRESENTATIVES

REVISED MEMORANDUM

To: Rep. Kitty Toll, Chair, House Committee on Appropriations
From: Rep. William Lippert, Chair, House Committee on Health Care
Cc: Rep. Mitzi Johnson, Speaker, House of Representatives
Date: February 27, 2019
Subject: Recommendations on Governor's FY20 budget

As requested, the House Committee on Health Care (Committee) has reviewed provisions of the Governor's proposed fiscal year 2020 budget. The Committee thanks the House Committee on Appropriations for the opportunity to comment on these provisions. Our recommendations fall into four categories: FY20 funding priorities, those FY20 budget proposals that the House Committee on Health Care supports, those FY20 budget proposals that the Committee cannot support, and longer-term health care appropriations issues that require further study.

Introductory Perspective

The Committee recognizes that there are broad needs within Vermont's health care system that require and receive ongoing funding and oversight, including implementation of the all-payer model/payment reform transformation, increasing access to affordable health insurance, and reducing the overall costs of health care for Vermonters.

However, the Committee identifies as the number one priority FY20 health care issue: addressing Vermont's unmet mental health needs—an essential part of implementing "mental health parity" within the Vermont health care system.

The Committee notes that the Department of Mental Health's January 2019 report entitled *Evaluation of the Overarching Structure for the Delivery of Mental Health Services* stated: "The absence or limitations of a local community to respond to individual needs when inpatient care isn't necessary compounds the difficulty in transfer from hospitals to more appropriate resources or levels of care. Current options such as MyPad housing in Chittenden County, the Soteria and Alyssum peer-supported crisis and transitional residential programs, crisis beds, and current Intensive and Secure Residential Recovery programs provide more individually focused levels of care options for community reentry and recovery; this array of services, however, is not provided in every region. *Despite the existing services array that has been enhanced since 2012, there is*

a continuing need and opportunity to provide increased community capacity to offset unnecessary ER wait times or inpatient admissions.” (Emphasis added)

However, the Governor’s proposed FY20 budget does not reflect these policy goals. Therefore, the Committee outlines priority proposals that address these unmet community needs.

I. FUNDING PRIORITIES*

The Committee believes that the most important health care funding priorities for FY20 pertain to mental health community-based services provided by: (A) designated and specialized service agencies; and (B) peers. The Committee has identified additional FY20 funding priorities in subsection (C) below.

Mental health community-based services are a crucial and habitually underfunded component of Vermont’s health care system. Strengthening community-based mental health services are essential in order to support reduced emergency room visits and inpatient admissions, as well as to strengthen patient reentry into Vermont communities.

*Where possible, the Committee has worked to identify items within our priorities that could be addressed with possible one-time capital or HIT expenditures, thus relieving pressures on the General Fund appropriations. These items are noted throughout.

A. DESIGNATED AND SPECIALIZED SERVICE AGENCIES

Workforce Development

The Committee’s top priority for FY20 is a \$7,500,000.00 appropriation from the General Fund to increase the salaries of the designated and specialized service agency workforce. The salaries have not remained competitive in the health care marketplace. This causes the designated and specialized service agencies to fall further and further behind in their ability to attract and retain the personnel necessary to provide essential mental health services.

While recent appropriations have begun to stabilize designated agency employment for the lowest-paid employees, testimony indicates that two out of 10 masters-level positions throughout the designated agency system remain unfilled in part due to noncompetitive salaries compared to State employees and hospital systems.

In addition to the requested funds, the Committee supports exploring a statutory commitment to increase the salaries of designated and specialized service agency employees.

Workforce Loan Repayment and Tuition Assistance – FY19 One-Time Workforce Appropriation (2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. C.106.1)

In order to further strengthen the work of the designated and specialized services agencies, the Committee supports the implementation of a school loan repayment assistance and tuition

program for professionals serving in Vermont's community mental health system. It recommends adding a provision that establishes a requirement to work within the Vermont designated agency system for three years as a condition of receiving these loan repayment funds. The Committee further recommends that the designated and specialized service agencies be involved in further discussions of available workforce funds.

In addition to the FY19 one-time funds, the Committee recommends that the Agency of Human Services be directed to explore a waiver from the Centers on Medicare and Medicaid Services to obtain additional funds for loan repayment assistance.

Electronic Health Records – FY19 One-Time HIT Fund Investment

The Committee recommends a one-time information technology investment to enable the designated and specialized service agencies to establish electronic health records systems. As most other components of Vermont's health care system already utilize electronic health records, the investment in electronic health records for the designated and specialized agencies is a matter of ensuring parity. The Committee recommends that the House Committee on Appropriations explore the balance in the Health IT Fund established in 32 V.S.A. chapter 241 to fund this investment.

B. PEER SERVICES

WRAP Program – See details in III. below

Housing First

The Committee recommends appropriating \$500,000.00 to Pathway's Housing First program to expand to underserved regions of the State. It notes the necessity of fully funding this appropriation in order to ensure the investment has the greatest impact on the mental health system. The Committee encourages leveraging the investment in the Housing First program to draw down additional federal housing monies. Federally funded rental assistance is critical if Vermont is going to provide permanent supportive housing to individuals with mental health needs. Returning funding to the federal government because there are not adequate support services sends the message that Vermont does not have a need for this resource.

The Committee suggests the possible use of capital funds to meet the infrastructure portions of this program where possible, in order to reduce ongoing operating costs.

Vermont Support Line

The Committee recommends appropriating \$168,000.00 to fully fund the existing peer-run support line. Full funding for this program has been overlooked since its inception and the need for an expanded support line continues to grow. The support line is currently operational from 3:00 p.m. to 6:00 a.m., rather than 24 hours a day, seven days a week. The support line is a key component for diverting crisis needs. According to the Department of Mental Health, the support line is currently only able to answer 53 percent of calls.

C. OTHER PRIORITIES

Suicide Prevention - SASH and Outright Vermont

Although outside of the Committee's budget areas, as a result of the Committee's ongoing work on suicide prevention, it strongly supports the funding of SASH and Outright Vermont. It is our understanding that the FY20 budget proposes cuts to SASH, and that Outright Vermont has approached the Education Committee with a funding proposal to replace lost federal funds.

Vermont continues to grapple with a suicide rate that is higher than the national suicide rate. Indeed, one of Vermont's population health goals within the all-payer model is reducing the State's high suicide rate.

In Vermont, older adult males and LGBTQ youth are two extremely high-risk groups for suicide attempts and completed suicides. SASH provides geriatric mental health interventions, while Outright Vermont addresses LGBTQ youth, both working throughout Vermont.

In addition, the Committee has received testimony that the geriatric psychiatric population is a key subgroup of the overall inpatient population that is remaining in the hospitals unnecessarily due to a lack of appropriate community support and services. SASH has been particularly effective in serving this population, which has resulted in freeing inpatient beds for other patients in need of hospitalization.

Crisis Beds and Step Down Beds

The Committee supports additional investment in crisis beds and step down beds, such as MyPad, to divert individuals from care in a hospital setting where appropriate and to enable hospitalized patients to receive care in the community, respectively. The failure to invest in these services now is likely to result in significant future increased costs in patient care. The Committee recommends that the House Committee on Appropriations explore the use of capital funds to underwrite operational costs of crisis and step down beds where feasible. The addition of beds to the system requires the support of a sufficient mental health workforce.

Office of the Health Care Advocate

The Committee supports an appropriation of \$85,000.00 to return the Office of the Health Care Advocate to inflation-adjusted FY16 funding levels.

The Committee recommends exploring whether there is any duplication of services between the Office of the Health Care Advocate and the Department of Financial Regulation's consumer advocate and encourages the House Committee on Appropriations to see if there are any savings to be realized through consolidation of the Department of Financial Regulation's consumer health care services within the Office of the Health Care Advocate.

II. PROPOSALS SUPPORTED BY HOUSE COMMITTEE ON HEALTH CARE

AGENCY OF HUMAN SERVICES (AHS) BUDGET

Health Care Claims Tax

The Committee agrees with the Governor's proposal to extend for one year the sunset on the health information technology portion of the health care claims tax established in 32 V.S.A. § 10402.

III. PROPOSALS NOT SUPPORTED BY HOUSE COMMITTEE ON HEALTH CARE

A. DEPARTMENT OF MENTAL HEALTH (DMH) BUDGET

Eliminating the Funding for Sheriff Supervision in Emergency Departments

The Committee does not agree with the Governor's proposal to eliminate funding for supervision of individuals within the Commissioner of Mental Health's custody while in the emergency department; it hesitates to make a formal recommendation on appropriate use of those funds prior to receiving the anticipated stakeholder report due on April 1, 2019.

The Committee recommends that the House Committee on Appropriations reserve what is currently being spent for sheriff supervision and that it be redirected to fund the support of individuals in the emergency department who are within the Commissioner of Mental Health's custody per the recommendation of the stakeholder group.

Eliminating the Funding for the WRAP Program

See Peer Services in Sec. I(B) above

The Committee does not support the elimination of the contract supporting Wellness Recovery Action Plans (WRAP) training through the Copeland Center. This contract is vital to supporting the underlying peer services established throughout the State. Eliminating this role would jeopardize these services.

Six New MyPad Beds

The Committee believes the proposed \$535,000.00 appropriation for these beds should be redirected to the workforce of the designated and specialized service agencies. The Committee's highest priority is supporting and stabilizing the community mental health workforce. If the House Committee on Appropriations is able to find funding for both workforce development and the six MyPad beds, the Committee would have no objection.

B. GREEN MOUNTAIN CARE BOARD (GMCB) BUDGET

Billback Formula

The Committee does not support the Governor's proposed change to the GMCB's billback formula at this point in time. If the goal is to reduce reliance on Global Commitment funds, the Committee does not feel that this is the place to do it. The Committee is committed to spending more time fully examining all current legislatively required roles and functions of the GMCB. This is a longer-term goal, and the Committee recommends that changes not be prematurely initiated based on current pressures within the Global Commitment cap. (*See below*)

IV. LONGER-TERM HEALTH CARE ISSUES AFFECTING FUTURE

APPROPRIATIONS – to be reviewed further by the House Committee on Health Care

A. GREEN MOUNTAIN CARE BOARD ROLES, FUNCTIONS, AND FUNDING

B. MEDICAID RATES AND COST SHIFT (PARTICULARLY AS AFFECTING RURAL HOSPITALS THAT HAVE A HIGHER MEDICAID PAYER MIX)

C. FINANCIAL STABILITY OF OUR RURAL HOSPITAL AND HEALTH CARE SYSTEMS

D. HIT FUND ALLOCATIONS AND FUNDING

E. COMMERCIAL INSURANCE COVERAGE AS A POSSIBLE SOURCE OF REIMBURSEMENT FOR MENTAL HEALTH COMMUNITY SUPPORT SERVICES