

Shift the Balance

Why is it important to invest in the designated agency system given the State's limited resources?

The Designated Agency system has the ability to Shift the Balance from costly medical care to efficient and effective community-based services, achieving a better return on investment for Vermont and improved quality of life for Vermonters with mental health conditions, developmental disabilities and substance use disorders. Investing wisely will reduce state expenditures in the long term.

2 pronged multi-year investment – to address an under-resourced system of care Beginning with a 4% increase for Fiscal Year 2020

- **Invest in the DA/SSAs' workforce to recruit and retain qualified experienced staff**, like masters license clinicians for which 2 out of 10 positions are vacant due to pay inequities with state, health care and school employees. Compensation is a challenge for all agency staff including those working at specialized service agencies and in developmental disability services. A stable, qualified, well-trained and experienced workforce is crucial to the effectiveness of services.
- **Invest in the DA/SSAs' to develop community services that reduce emergency room and Inpatient bed need** – Intensive and secure residential care, gero-psychiatric units, children's diversion beds, supported housing, and peer-based services are more cost-effective and humane. Don't plan new beds before determining community resource needs – if we can reduce the number of people stuck in inpatient beds and prevent people from needing hospitalization, fewer new beds will be needed and the growth in Medicaid expenditures will be reduced. New investments for upstream services to reduce the need for more acute and costly services, including those that screen for and address social determinants of health, should take advantage of the current statewide DA/SSA infrastructure to curb spending and strengthen the continuum of care.

The Foundation for Shifting the Balance is already built Ongoing savings should be invested in DA/SSAs to generate further savings

- **DA/SSA are already generating millions of dollars of Medicaid savings on a statewide basis** through mobile crisis services, crisis beds, substance use disorder services, residential and community-based supports for children, youth and adults, and participation in OneCare and Blueprint Care Collaboratives – these savings can be expanded with the right investments.

- **Local pilot programs are achieving savings and promising results** through improved care coordination, enhanced referral, integrated care and utilization management – all of which could be expanded
 - o Northwestern Counseling and Support Services’ collaboration with Northwestern Medical Center decreased Emergency Department use by 61% saving both Medicaid dollars and costs to the medical center.
 - o Washington County Mental Health Services pilot with Central Vermont Medical Center reduced Emergency Department use by up to 70% for individuals who have a high utilization rates.
 - o Integrated and coordinated care initiatives with FQHCs, primary care physicians and other health providers are tackling ACES to improve the health of children, youth and adults in all regions of the State.
- **The expertise, knowledge and relationships with high needs populations is at DA/SSAs who** play a critical role in improving health outcomes for Vermonters with complex and costly health needs by addressing the social determinants of health with a whole person-directed approach.
- **DAs/SSAs have a track record** - when Vermont expanded the number of crisis bed programs through Act 79, the number of CRT inpatient days dramatically decreased. Crisis beds cost \$693/day compared to \$2,625/day for Vermont Psychiatric Care Hospital. We estimate a savings of \$6 million annually just in inpatient services due to these crisis bed programs.
- **National data shows that over 40% of health care costs are related to co-occurring mental health and substance use disorder conditions.** In European countries where more resources are directed to human services and the social determinants of health, medical costs are far lower. DA/SSAs could create further Medicaid savings by expanding the scope of populations and services offered - significant savings are achievable.
- **Vermont has a successful track record of Shifting the Balance** from nursing homes to Choices for Care for our senior citizens – let’s learn from our success.

VCP is a statewide network of community-based agencies providing mental health, substance use, and intellectual and developmental disability services and supports.

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