



**STATE OF VERMONT**  
HOUSE OF REPRESENTATIVES

**DRAFT 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 re-entry into Vermont communities.

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

### **A. DESIGNATED AND SPECIALIZED SERVICE AGENCIES**

#### **Workforce Development**

The Committee’s top priority for FY20 is a \$7,500,000.00 appropriation to increase the salaries of the designated and specialized service agency workforce. While State employees receive an annual percentage increase in their salaries, employees of the designated and specialized service agencies do not receive such an increase. 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 2 out of 10 masters level positions throughout the designated agency system remain unfilled in part due to non-competitive salaries compared to State employees and hospital systems.

In addition to the requested funds, the Committee supports exploring a statutory commitment to link any future increase in the salaries of State employees to a corresponding increase in the salaries of designated and specialized service agency employees.

#### **Workforce Loan Repayment Assistance** – FY19 One-Time Funds

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 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.

In addition to the FY20 one-time funds, the Committee recommends that the House Committee on Appropriations explore a waiver from the Centers on Medicare and Medicaid Services to obtain additional funds for loan repayment assistance.

### **Electronic Health Records** – 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 the House Committee on Appropriations to explore leveraging an investment in the Housing First program to draw down additional federal housing monies. Federally-funded rental assistance is critical if Vermont going to provide permanent supportive housing to individuals with mental health needs. Returning funding to the federal government because there are not have adequate support services sends the message that Vermont does not have a need for this resource.

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

#### **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.

### **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 has been interfering with the flow of patients in inpatient psychiatric units 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 to divert individuals from care in a hospital setting where appropriate and to enable hospitalized patients to receive care in the community, respectively. It 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.

### **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 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**

### **A. DEPARTMENT OF VERMONT HEALTH ACCESS (DVHA) BUDGET**

#### **Elimination of Six Positions**

The Committee agrees with the Governor's proposal to eliminate six positions from DVHA's budget.

## **B. 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**

While the Committee does not agree with the Governor's proposal to eliminate funding for sheriff supervision of individuals within the Commissioner of Mental Health's custody while in the emergency department, it hesitates to make a formal recommendation 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.

#### **WRAP Program**

See Peer Services Priority 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 MyPad Beds**

The Committee regrets its lack of support for this proposal, as there is certainly a need for additional beds. However, it believes the proposed \$535,000.00 appropriation for these beds should be redirected to our highest priority—strengthening the workforce of the designated and specialized service agencies. It does not make sense to the Committee to build additional capacity until the workforce is available to staff these additional proposed beds. The Committee's highest priority is supporting and stabilizing the community mental health workforce.

**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. The Committee does not have a solution, but 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**