

## STATE FISCAL YEAR 2020 BUDGET ADJUSTMENT ACT (BAA) RECOMMENDATION

The AHS-DVHA Budget Adjustment recommendation consists of changes to the DVHA Medicaid and CHIP program (payment for health care services and supplies) and an administrative appropriation that is responsible for operations of the Medicaid and CHIP program.

DVHA	Gross	State Funds
<b>2020 As Passed</b>	<b>\$991,819,528</b>	<b>\$ 439,789,850</b>
<b>Total Changes</b>	<b>\$209,070</b>	<b>\$2,341,087</b>
<b>2020 Recommended BAA</b>	<b>\$ 992,028,598</b>	<b>\$ 442,130,937</b>

In total, the change from the As Passed 2020 Budget is an increase of \$209,070, gross, and \$2,341,087, state funds.

## BUDGET CONSIDERATIONS: PROGRAM

Program	Gross	General Funds
<b>2020 As Passed</b>	<b>\$819,995,140</b>	<b>\$394,984,815</b>
<b>Changes</b>	<b>(\$5,495,949)</b>	<b>(\$290,639)</b>
<b>2020 Recommended BAA</b>	<b>\$814,499,191</b>	<b>\$394,694,176</b>

The recommended changes to the Medicaid and CHIP program appropriations decrease the DVHA budget by \$5,495,949, gross, and \$290,639, general funds.

**Medicaid Caseload and Utilization Revisions** (\$5,807,555) (\$304,830)

By statute, Vermont uses a consensus process to forecast Medicaid caseload and spending. This program spending is based on projected enrollment, utilization of services, and the price of those services. Overall, Medicaid enrollment is expected to continue to decline which is offset by increases to utilization. Factors likely contributing to the decline in enrollment are low unemployment rates, low birth rates, and improved technology & business processes for eligibility and enrollment.

Overall, program costs are changing due to the following factors:

- Declining enrollment, 5.2% adults and 2.4% for children, as compared to SFY 2019;
- Increases in utilization, including inpatient hospital services, hospice, hepatitis C treatment, and primary care/preventative services, amounting to 1.02% in adults in 1.03% in children as compared to SFY 2019;
- Price changes including annual physician, FQHCs/RHCs, and outpatient rate updates, home oxygen therapy, and physician administered drug prices; and
- FMAP decrease within the CHIP program.

**Global Commitment: (\$10,477,167) gross / (\$4,833,117) g.f.**

**State Only Appropriation: \$3,812,825 gross / \$3,813,422 g.f.**

**Non-Waiver Appropriation: \$856,787 gross / \$714,865 g.f.**

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<b>Brattleboro Retreat Rate Increase</b>	<b>\$548,993</b>	<b>\$251,578</b>
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Brattleboro Retreat is facing significant financial hardship. As the State's only private Institution for Mental Disease, the Agency has been working on proposals to mitigate that hardship. This increase reflects a rate increase to their base inpatient rate for adult and children served at the Brattleboro Retreat. This change increases the base per diem rate from \$1,425 to \$1,493 (4.8% increase), effective November 1<sup>st</sup>, 2019. The amount requested reflects the ½ year increase based on CY 2018 utilization.

**Global Commitment: \$317,639 gross / \$146,527 g.f.**  
**State Only Appropriation: \$225,426 gross / \$103,989 g.f.**  
**Non-Waiver Appropriation: \$5,928 gross / \$1,062 g.f.**

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<b>SFY 2019 Carryforward Revision</b>	<b>(\$237,387)</b>	<b>(\$237,387)</b>
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This line item reduces the SFY 2019 Carryforward amount previously approved.  
**State Only Appropriation (\$237,387) gross / (\$237,387) g.f.**

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## BUDGET CONSIDERATIONS: ADMINISTRATION

For the 2020 Budget Adjustment within Administration Appropriation, AHS-DVHA is proposing time-limited delivery system investments for the Accountable Care Organization so that it may continue to work with the State to improve access to prevention-focused primary care including mental health care. AHS-DVHA proposes to increase the Administration Appropriation by \$5,705,019 gross and \$2,631,725 general funds.

Administration	Gross	State Funds
<b>2020 As Passed</b>	<b>\$171,824,388</b>	<b>\$44,805,036</b>
<b>Changes</b>	<b>\$5,705,019</b>	<b>\$2,631,725</b>
<b>2020 Recommended BAA</b>	<b>\$177,529,407</b>	<b>\$47,436,761</b>

<b>Transfer Management of Funds from AHS</b>	<b>\$0</b>	<b>\$0</b>
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Historically, the VHC Sustainability Fund was managed by AHS and DVHA was appropriated interdepartmental funds in order to fund the operations of the Health Access Eligibility and Enrollment unit for the Qualified Health Plan population. This change allows for a direct appropriation of general funds.

**Personal Services: \$2,586,929 from Interdepartmental Transfer to G.F.**  
**Operating: \$430,883 from Interdepartmental Transfer to G.F.**  
**Grants: \$2,400 from Interdepartmental Transfer to G.F.**

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<b>Strategic Budgeting: DSR Investment for Enhanced Tools for Population Health Management and Care Coordination</b>	<b>\$973,769</b>	<b>\$449,200</b>
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OneCare Vermont analyzes health care data about the Vermonters who are attributed to the ACO in order to give participating providers better information about how to deliver and coordinate care, and how to improve quality. OneCare Vermont also makes software tools (like Care Navigator) available directly to providers so that they can communicate with one another and with patients and families about care needs and plans. In CY 2019, DSR Investment funding has been used by OneCare Vermont to continue developing a population health management and analytics platform for ACO providers, giving them access to reports, on-demand analytic tools, and complementary technical assistance and data literacy training. This allows providers to see data for their attributed patients quickly and easily. It also allows providers to understand cost, utilization, and quality performance for their own panel of patients. OneCare provides demonstrations of tools and examples of reports to DVHA twice annually as part of their contractual deliverables. **Remainder of Contracted Amount is for Plan Year 2019.**

**Strategic Budgeting: Plan Year DSR Investment for Advanced Community Care Coordination** **\$281,250** **\$129,740**

OneCare Vermont is implementing an Advanced Community Care Coordination (A3C) Model. This model provides financial support to providers to change the way they use tools and work together in coordinating care for their patients. In CY 2019, DSR Investment funding has been used by OneCare Vermont for "Community Capacity Payments" – annual payments of up to \$25,000 to the organization holding the Blueprint for Health (Health Service Area) grant in each community for project management support. With these funds, communities are expected to develop community-specific workflows, support workforce readiness & capacity development, analyze community care coordination metrics, and disseminate information & lessons learned across the community. OneCare provides a summary of the distribution of Community Capacity Payments (by organization) to DVHA twice annually as part of their contractual deliverables. **Remainder of Contracted Amount is for Plan Year 2019.**

**Strategic Budgeting: DSR Investment for RISE VT** **\$550,000** **\$253,715**

RISE VT is a population health program that focuses on primary prevention with the goal of improving the health of communities in years to come. In CY 2019, DSR Investment funding supports OneCare Vermont in:

- Implementing the evidence-based RiseVT model in five new Health Service Areas (HSAs) in the 2019 performance year.
- Conducting RiseVT activities in partnership with the Vermont Department of Health, the Blueprint for Health, and other local community partners.
- Convening local stakeholder groups within each HSA to develop and monitor local initiatives, amplify existing local programs, and report on outcomes.
- Supporting the development and launch of a statewide marketing campaign to promote RiseVT local campaigns and influence population health by encouraging behaviors such as reducing screen time, increasing physical activity, and improving diet.

OneCare provides information about Rise VT activities to DVHA twice annually as part of their contractual deliverables (including information about active Rise VT campaigns, participation in Rise VT events, grants awarded to participating HSAs, and Rise VT FTEs statewide). **Remainder of Contracted Amount is for Plan Year 2019.**

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<b>Strategic Budgeting: Plan Year 2020 DSR Investments - Adding SASH Mental Health program, Zero Suicide, &amp; Mental Health in Emergency Departments</b>	<b>\$3,900,000</b>	<b>\$1,799,070</b>
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This line item includes continuation of the DSR areas of activity described above and additional funds to support improving access to mental health services to improve total health, reduce suicide, and reduce the numbers of persons requiring emergency mental health treatment. Examples of activities that may be supported by DSR Investment funding in CY 2020 include:

- Investing in mental health navigators in emergency departments and engaging health care organizations in the Zero Suicide program
- Continuing to test a model in which a mental health counselor is embedded in Supports and Services at Home (SASH) congregate housing sites
- Implementing a home health pilot to reduce avoidable emergency department use and hospital admissions and readmissions
- Embedding clinical pharmacists in primary care settings to conduct population health management activities as part of the care team
- Expanding Rise VT to new counties

The scope of work and more detailed deliverables expectations will be developed prior to funds being distributed. **Proposed Amount is for Plan Year 2020.**

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\* State Funds estimates convert Global Commitment which is handled at AHS Central Office using a blended Federal Medical Assistance Percentage (FMAP) which may not fully reflect the actual mix of caseload for the New Adults.