



**Testimony to House Health Care Committee
and Senate Health and Welfare Committee**

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Introduction

Thank you for the opportunity to share information on the fiscal status of the Designated and Specialized Service Agencies. We appreciate the opportunity to check in a little over two months into the pandemic. It has been a turbulent time in many respects. Data shows that Americans are experiencing challenges with mental health and substance use at much higher rates than normal. For people we serve with intellectual and developmental disabilities the isolation and confinement has been extremely difficult and some have experienced increased psychiatric distress. Suicide rates were already trending upward and is a serious societal problem. We expect a growing demand for our services for some time to come as trauma from large scale disasters has lasting impacts.

Like all health providers, DA/SSAs have been going above and beyond to meet the needs of those we serve in our communities in partnership with state government, health care providers, schools, and other regional partners. Our staff have stepped up to the plate - learning how to provide service virtually and in new creative ways.

Financial Status

DA/SSAs are generally financially stable due to the support of the Legislature and Administration in allowing for flexibilities, reducing restrictions, and the use of creative approaches such as case rates to maintain ongoing funding for the agencies. We are particularly grateful for the partnership and support of Secretary Smith, Commissioner Hutt and Commissioner Squirrel. They have worked with us step by step to identify our funding needs and address them in several stages of retainer payments. At this point those payments add up to nearly \$10 million, with another \$800,000 of requested funds for developmental services which were unanticipated and which we hope will be granted through the legislative appropriation process. The retainer payments do not cover losses in revenue from private insurance, self-pay, Medicare, lost payments for room and board and most significantly schools and CERT payments. Additionally, agencies are facing increased unemployment insurance costs. Most agencies will end for the fiscal year in the black, but one agency is anticipating a net loss of \$2.8 million. Please note that fiscal stability for DA/SSAs is relative. On average the agencies have 6 – 7 weeks of cash on hand with a significant number of agencies maintaining less than 5 weeks of cash on hand.

At this point the July 1st is being viewed as a cliff with looming uncertainty. We don't know:

- Will the Medicaid retainer payments continue?
- Will AHS continue to support COVID specific expenses?
- Will DAIL continue the current rules regarding waivers?

- Will the State continue to fund enhanced pay?
- Will the emergency Behavioral Interventionist Case Rate continue?
- And what will the FY21 budget funding look like?

Given current realities all agencies are focused on fiscal conservation and austerity spending, looking for ways to reduce or delay expenditures. In fact, they are braced for potential of reduced funding when the full FY21 budget goes into effect. It is very discouraging for our Agencies to think we could have funding reductions during a time that our community needs us the most.

School-based Services

Services to students and their families are continuing through virtual formats, but like teachers our behavioral interventionists are not with students for a 7-hour school day at this point. Unfortunately, some supervisory unions have interpreted a memo issued by Secretary French to mean that they should only pay for specific services delivered by designated agencies on a fee-for-service basis and are no longer honoring existing contracts. Leaders at the Agency of Human Services, Department of Mental Health and Agency of Administration are doing their best to remedy the situation to ensure funding for these critical services will continue. We are sharing data with them about the potential revenue losses from changes in payments from school districts. This is a complex issue which we hope will be resolved soon. Again, we are also unsure about what happens after July 1st. Some of our usual summer services will be discontinued and services for the next school year are clearly up in the air, too.

Federal and Other Funds

- Several smaller agencies have received funding through the Payroll Protection Program creating a big boost for their fiscal health but also presenting a potential future financial liability.
- Medicare stimulus payments received by DA/SSAs were quite small, ranging from \$6,000 to generally no more than \$25,000 because we have little Medicare revenue.
- One agency accessed payroll credits from the Families First Coronavirus Response Act (FFCRA) for qualified sick and family leave wages.
- FEMA and SAMHSA grants received through state government are going to be helpful and will enable the purchase of 7 vans among other needed equipment.
- The Vermont Communities Foundation Grant facilitated by DMH is also enabling agencies to fill in funding gaps.
- Several agencies have not received any federal funding at all.

Workforce

The staff of DA/SSAs are amazing. They have soldiered on through difficult conditions because they are dedicated to the serve Vermonters in need. They have developed creative approaches to services using virtual formats. They have brought groceries and care bags to support the people coping with confinement and isolation. They have been trained to take on new responsibilities to ensure that everyone gets the supports they need should other members of the staff fall ill or are unable to work. Agency leadership teams have been meeting daily to steer through the crisis and maintain all necessary services and supports.

Retainer payments for enhanced pay to staff doing face-to-face and for those who are potentially exposed to the virus has been most helpful for workforce retention and improved equity with state employees during this crisis. Therefore, we hope to receive adequate funding to maintain enhanced pay for our staff for the same length of time as it is received by state employees.

There are some DA/SSA employees who would receive more income unemployed than employed due to the federal \$600/week supplements. Fortunately, most staff are so dedicated that this dynamic does not influence their choice to continue working.

The greatest disruption to our workforce has been the school contracts; most staff furloughs to-date have been related to the reduction in these services and funding. At this time 354 full time staff have been furloughed and there have been 83 partial furloughs. It is likely that more staff will be either furloughed or laid-off if the situation with schools is not resolved.

Vermont Care Partners is supporting our agencies by developing guidance to ensure the safety of those we serve and the staff as we transition to increased face-to-face services. We have shared our draft with Commissioner Hutt and Commissioner Squirrel so we can work together to ensure safety.

Staff want to be safe and effective in helping our clients who they care deeply about, but they may have health risks themselves, or they may live with family members who has health risks. It is hard to feel safe, even with all the preventive measures, when there is so much that is unknown about the virus. The dilemmas are endless:

- Staff wearing masks when meeting with a client for the first time can be off-putting and not helpful for relationship building, especially if the person is dealing with paranoia.
- Staff drive the people we serve to doctors' appointments, supported employment, and community activities which requires being in close quarters for prolonged periods of time
- Access to childcare can be difficult for staff and some staff are balancing support for educating and supporting the schoolwork of their children with their jobs
- Connectivity is sometimes a challenge for staff working remotely
- There are people we serve who are not able to practice social distancing, wear masks, and/or follow the necessary hygienic procedures

Summary

While there are continued uncertainties and unforeseen challenges across the Vermont Care Partners provider network the mission to provide support for the most vulnerable in our communities drives us to continue the work we do. Moving forward into FY21 our communities are going to need healing and support both through and after this crisis requiring stable DA/SSAs to provide a safety net. We are working every day, stretching beyond our current resources to support individuals in need to stabilize our communities. We are deeply concerned about what the financial future holds for the Agency of Human Services and Vermont's economy. As the CRF dollars are appropriated by the State, we appreciate that there will be focused efforts on solidifying health care providers, including the designated agencies, as we are working on supporting our communities through this time.

We hope the information provided today will be helpful in your ongoing deliberations and we thank you for your amazing leadership and support.