



# Medicaid Rate Bill H.153

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MARCH 10, 2021

# Support Inclusion of DAs & SSAs in H. 153

## VERMONT CARE PARTNERS SUPPORTS:

- 1) Establishment of an annual inflationary factor to apply to Medicaid rates for DAs/SSAs
- 2) The study of Medicaid reimbursement rates, their adequacy and methodologies underlying the rates for DAs/SSAs

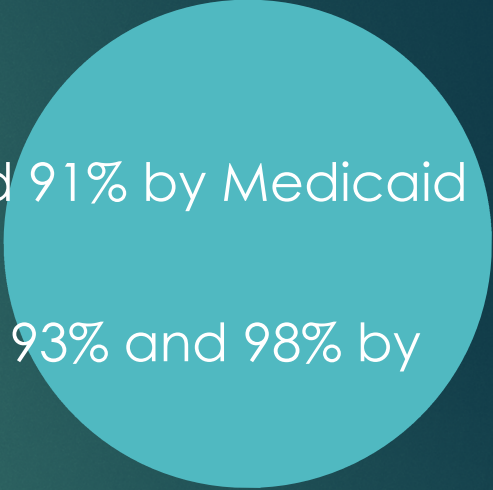


# Current State for DAs/SSAs – Process of Rates and Why We Have Fallen Behind in Paying Salaries and Serving our Community

- ▶ Budget requests do not get reviewed by AHS – we are level funded year after year
- ▶ No Administration has put forth a rate increase in the budget presented to you for DAs/SSAs in at least 10 years
- ▶ Vermont Legislature provides increases – the most recent 3 years ago
- ▶ ADAP rates - only 2 increases in the past decade (2013 & 2016)
- ▶ Payment Reform value-based bundles established 2019
- ▶ Payment Reform has helped get us through the pandemic due to regular payments
- ▶ Payment Reform bundle has not grown in capacity; therefore, we have increasing demands without resources to serve them.
- ▶ Green Mountain Care Board is in process of creating a review process for our budgets but cannot implement a rate increase

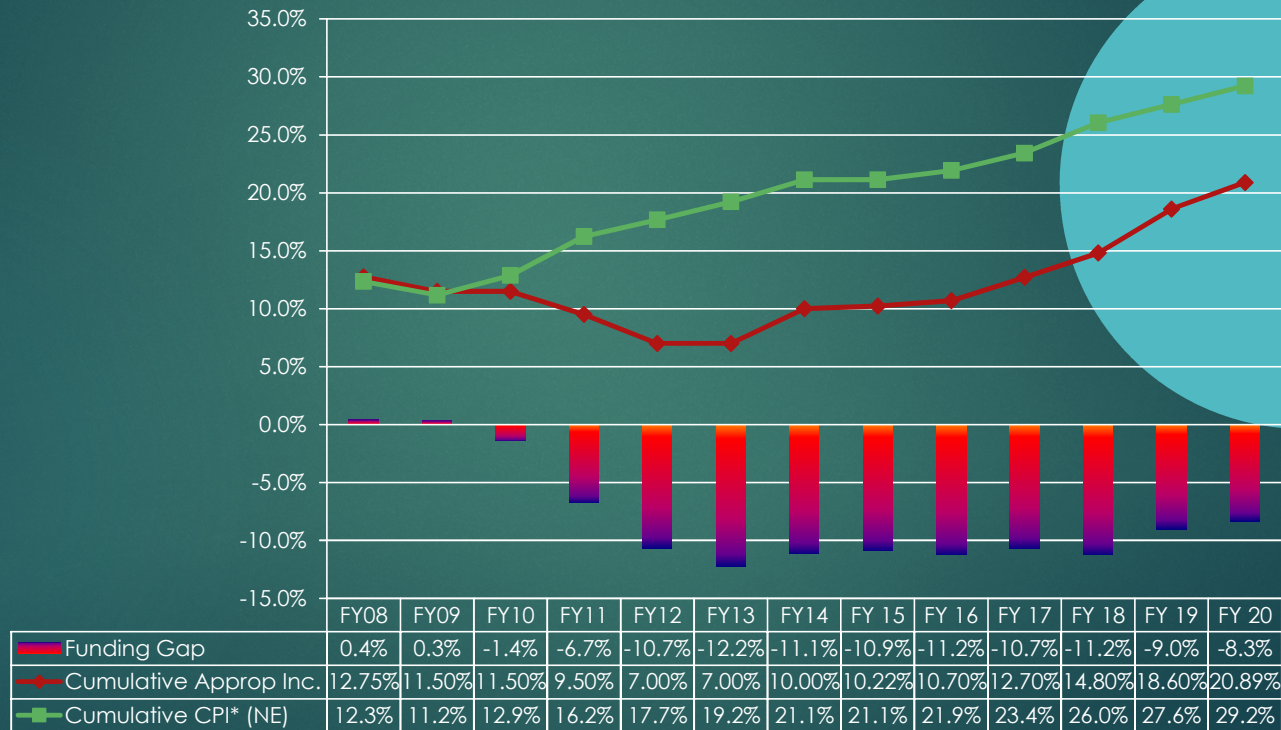


# DA/SSAs are heavily Medicaid funded

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- ▶ Designated Agencies are funded between 75% and 91% by Medicaid
  - ▶ Specialized Services Agencies are funded between 93% and 98% by Medicaid



# Medicaid rates have not kept up with inflation



# Increased Needs for Mental Health Treatment and Support in a Stressed System

- ▶ 364 adults are waiting for mental health services for 30 - 90 days
- ▶ 451 children and youth are waiting for community-based services for 21- 120 days
- ▶ 130 students are waiting for services in school for 12 to 120 days
- ▶ 190 children and youth are waiting for mental health services 12 - 60 days
- ▶ 39 adults are waiting for residential mental health supports for 7 - 365 days
- ▶ 67 people with intellectual/developmental disabilities are waiting for access to shared living providers for 3 to 365 days

❖ Information as of February 2021



# INABILITY TO MAINTAIN PARITY IN SALARIES DEPLETES THE WORKFORCE

Here is current data on how staff vacancies are distributed by service type

- ▶ Developmental Disability Services: 190
- ▶ Mental Health Services: 519
- ▶ Substance Use Disorder Services: 29
- ▶ Other: 42

TOTAL: 780 STATEWIDE – 15% of Workforce



# REVIEW OF CURRENT STATUTE ADOPTED IN 2017

Intent was good, however no action taken

- ▶ *“Vermont’s mental health system shall be adequately funded and financially sustainable to the same degree as other health services.”*
- ▶ 18 V.S.A. § 8914 Rates of payments to designated and specialized service agencies (Act 82, 2017)
- ▶ (a) The Secretary of Human Services shall have sole responsibility for establishing the Departments of Health’s, of Mental Health’s, and of Disabilities, Aging, and Independent Living’s rates of payments for designated and specialized service agencies that are reasonable and adequate to achieve the required outcomes for designated populations. When establishing rates of payment for designated and specialized service agencies, the Secretary shall adjust rates to take into account factors that include:
  - ▶ **(1) the reasonable cost of any governmental mandate that has been enacted, adopted, or imposed by any State or federal authority; and**
  - ▶ **(2) a cost adjustment factor to reflect changes in reasonable costs of goods and services of designated and specialized service agencies, including those attributed to inflation and labor market dynamics.**
- ▶ **(b) When establishing rates of payment for designated and specialized service agencies, the Secretary may consider geographic differences in wages, benefits, housing, and real estate costs in each region of the State. (Added 2017, No. 82, § 11, eff. June 15, 2017**



# CHALLENGE OF ADDRESSING RATES IN THE CURRENT SYSTEM

- ▶ Rates evolved for different HCBS programs over time and dollars are derived from different funding streams
- ▶ AHS funding streams have remained low; in some regions AoE funding streams have had more flexibility and have offset some of the losses of the low AHS funding
- ▶ H. 153 calls for a study to review methodologies which will demonstrate disparities throughout the system and across the different funding streams

# SUPPORT FOR ALL OUR PROVIDER GROUPS

- ▶ WE SUPPORT THIS BILL FOR ALL PROVIDERS INVOLVED
- ▶ PARTNERS IN COMMUNITY WORKING TOGETHER PREVENT NEED FOR HIGHER LEVELS OF CARE
- ▶ OUR COUNTERPARTS IN HOME HEALTH & HOSPICE, AREA AGENCIES ON AGING, ADULT DAY PROGRAMS, PREFERRED PROVIDERS, DAS/SSAS AND OTHERS KEEP PEOPLE IN THEIR HOMES, WHICH IS WHERE WE ALL WANT TO BE