Subject: Information to inform Meeting on Friday Morning

Thank you so much for the opportunity to meet with you on Friday morning. We appreciate that you all have very limited time available and many pressures to address. This email lays out our request to enable us to use our 1/2 hour effectively.

We know you share our frustration that the Administration has, once again, chosen to invest in new initiatives at the expense of sustaining core services provided by state contractors ignoring the statutory language passed in 2017 requiring the Secretary of Human Services to address inflationary pressures of Designated and Specialized Services Agencies, and putting the legislature in the position of robbing Peter to pay Paul.

With 40% of the population experiencing mental health and/or substance use disorders because of COVID we are seeing a surge in demand for crisis, urgent care, outpatient clinical care, nursing, residential and housing supports, and care management services. As a result, some vulnerable Vermonters must be left waiting for services. We are also facing greater acuity in all populations we serve: mental health, substance use disorder, and developmental disabilities.

DA/SSAs have creatively made extensive efforts to meet the growing needs of those we serve and our communities. However, our workforce is under enormous stress with approximately 500 staff vacancies and agency staff vacancy rates as high as 25%. We are having significant challenges with hiring directly related to our salary levels. Next year, like every year, state employees, health care and school employees will receive raises further exacerbating our challenge with recruitment and retention of workforce.

Without adequate rates we cannot meet our mandates for community-based mental health, developmental and substance use disorder services - this year this is especially critical because of the increases in demand, acuity, and complexity.

We request a 5% rate increase. **This is our top priority and more critical than starting new initiatives. It is estimated that each 1% would require $1.75 million GF**. We would use a rate increase to reduce staff vacancies by getting closer to market rate compensation. In the long term, we need predictable scheduled rate increases aligned with state employees, healthcare, or education sectors.

We could also benefit from one-time/short-term Investments to respond to surge in demand due to COVID

- Funding for urgent care case management

- Training on trauma-informed care and wellness support for staff
- Supplemental funding for crisis stabilization programs increased costs due to COVID
- One-time COVID expenses not covered by federal resources – HVAC systems, equipment, facility improvements and testing.

For years agencies have deferred capital investments in favor of sustaining services leading to unmet capital needs. If a capital Investments are possible, we would benefit by these investments:

- New Facilities $8.8 million
    a. Housing for homeless, elders, adults with mental health and I/DD, crisis beds, office space
- Renovations, Upgrades $7 million
    a. Address safety risks, insulation, ADA and HIPPA compliance, air filtration systems, elevators/ chair lifts
- Repairs and Maintenance $1 million

Replace roofs, windows, doors, flooring, carpeting, ramps, boilers, kitchens

For your reference here is the statutory language passed in 2017 that has not been honored by the Administration. *"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

Again, thank you for considering our requests and for carving out time for discussion.

Thanks,
Julie

Julie Tessler. Executive Director (she/her)
VT Council of Developmental & Mental Health Services/Vermont Care Partners