

Agency of Human Services

FY 2022 Budget Adjustment

January 7, 2022

AHS Budget Adjustment Overview

- Reflects an increase of \$38.0M GF (3.7% increase) primarily due to caseload & utilization, rate adjustments, ACO settlement, and recruitment/retention incentives:
 - Consensus caseload & utilization (\$67.5M gross);
 - Family Services caseload increases (\$2.6M gross);
 - Buy-In increase (\$5.8M gross);
 - Targeted Case Management (TCM)(net-GF increase \$1.1M);
 - CY 2020 ACO settlement (\$15.2M gross);
 - DMH and DOC staff recruitment and retention incentives (\$6.6M gross).
- Continue to use Coronavirus Relief Funds for pandemic response, as well as FEMA funding.

AHS FY22 BAA Secretary's Office

- Net-neutral transfer between AHS CO and DCF for management of the 2-1-1 contract.
- Net-neutral transfer with VDH of GF carryforward to provide additional funding for 1115 GC and APM waiver technical assistance.

AHS FY22 BAA Secretary's Office – Global Commitment

- Effect to GF of 6.2% bump for the Medicaid program during Public Health Emergency Period (PHEP) through March of 2022 was reverted pursuant to Act 74 [\$66M FF].
- Use of one-time GF carried forward from SFY21 as matching funds for SFY22 [\$6.8M].
- Childless New Adult caseload and utilization changes reducing need for GF match [\$9.6M].
- True-up of CHIP Qualifying Claims [\$584k].

AHS FY22 BAA – DVHA

- Updated Medicaid Consensus Forecast, will need to be adopted by the E-Board in January [\$66.7M all funds, \$28.8M GF];
- Increase in Buy-In [\$5.8M gross, \$2.5M GF];
- CY 2020 ACO Settlement [\$15.2M all funds, \$6.8M GF];
- Medicaid rate increase for participating providers [\$4.7M gross, \$2.1M GF].

AHS FY22 BAA – DMH

- VPCH/MTCR staff incentive/retention funding [\$1.8M gross, \$760k GF];
- 16 bed Secure Residential Start-up cost [\$150k GF].

AHS FY22 BAA– DCF

- Across DCF:
 - Adjustments to earnings due to capped federal funds, temp. staffing and grants/contracts [\$1.4M GF].
- Family Services Division:
 - Sub-adoption caseload increase [\$993k GF];
 - Substitute Care caseload increase [\$408k];
 - TCM rate adjustment [\$1.1M GF].
- Child Development Division:
 - Subsidy Caseload Underutilization [-\$814k GF].
- OEO
 - Emergency Housing Plan initiatives [\$6.1M GF].

AHS FY22 BAA– DAIL

- Initial funding phase of LTC Oversight Initiative
- TBI utilization increase [\$66k GF];
- CFC carryforward for 1% reserve requirement, reinvestments, and anticipated caseload and utilization for SFY22 (AHS net-neutral) [\$4.6M GF].

AHS FY22 BAA – VDH & DOC

- VDH – AHS net-neutral technical adjustments.
- DOC – Recruitment and retention incentives for staff [\$4.9M GF].

AHS FY22 BAA Supplemental Appropriations

- \$25M to address emergent and exigent circumstances following the COVID-19 pandemic.
 - Funds will be used to meet current COVID-related grant and contractual obligations, as well as to provide financial support to providers to prevent business closures and disruptions.
- \$15M for Healthcare Workforce Retention Incentives (\$33M total)
 - Funds will be used to structure retention incentives to maintain existing health care workers in Vermont to ensure stability of the system.

\$25M to Address Emergent and Exigent Circumstances

- AHS has spent \$174.99M to stabilize and support the health care system through provider stabilization. Additionally, AHS has spent 13.2M for designated agencies and additional targeted funding for specific provider types when considering all relief mechanisms by the end of 2021. Examples of providers types that received funds included Long-Term Care Facilities, DAs/SSAs, Adult Day Providers, Hospitals, Rehabilitation Facilities/SUD.
- The Agency continues to receive requests for emergency funding on a weekly basis from community-based health and human services providers.
- Availability of CRF funds ended in 2021. This request is to continue to provide emergency stabilization to our health care system.

\$25M to Address Emergent and Exigent Circumstances

- Known: Support through Executed AHS Contracts (*Still pursuing FEMA Funding when applicable*)
 - Sub-Acute Beds – up to \$5M
 - ICU capacity – up to \$7.5M
 - TLC Staffing Supports – up to \$2.5M+
- Anticipated: Provider Emergency Fund
 - AHS proposes an appropriation of provider stabilization funds to respond to emergent provider situations where without financial intervention the provider will either:
 - Reduce capacity; and/or
 - Face closure.

Anticipated Provider Emergency Funds - Process

- Provider eligibility is expected to encompass prior Health Care Stabilization Providers
- Triaged based on need
- Providers request relief from Department of Jurisdiction
- Department's review the requests and conduct financial assessment of the need and internal Department funding options (Example: EFR)
- Request made to the Secretary's Office for review
- AHS reviews the request and conducts funding analysis including relevance of available federal funds such as FEMA and Medicaid FMAP
- Approved request have funds released through beneficiary agreements

Workforce Recruitment and Retention

- \$33 million in workforce in the full package (BAA and BAA Supplemental Combined)
 - \$18 million from the HCBS FMAP – only be used for HCBS qualifying providers (original BAA)
 - \$3 million for training
 - \$15 million for recruitment and retention
 - \$15 million from general fund for non-HCBS providers (BAA Supplemental)

Workforce Recruitment and Retention

- Needs-based program with an application process.
- Funds will be allocated to address the most immediate needs across the continuum of care.
- Data collected through the application process will be weighted to:
 - Ensure the most critical providers are available to meet needs of Vermonters,
 - Yield an immediate impact (e.g. reduce current waitlists, expand occupancy),
 - Support employers with the highest need (e.g. vacancy rates).
- Funding can be used flexibly by employers for retention and recruitment incentives for eligible employees and for purposes such as relocation, housing, childcare, or other innovative incentives.
 - Will require employees receiving benefits to stay.
- Support for transition-to-practice programs
- Support for securing international nurses