



Vermont Developmental Disabilities Council

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TO: Senate Committee on Appropriations

RE: Comments on the Governor's proposed 2019 budget

FROM: Susan Aranoff, Esq., Senior Planner and Policy Analyst

DATE: April 4, 2018

Thank you for providing this opportunity to comment on the Governor's proposed FY 2019 budget. The Vermont Developmental Disabilities Council (VTDDC) is very concerned about the parts of the budget that impact the healthcare and quality of life of people with disabilities.

The VTDDC is a statewide board created by the federal Developmental Disabilities Assistance and Bill of Rights (the DD Act), first adopted by Congress in 1970. As stated in our 5-year plan, the VTDDC vigorously seeks changes in Vermont's many service systems so that Vermonters with Developmental Disabilities can access the supports and services necessary to foster community inclusion, self-determination, productivity, and independence.

Our constituents are healthcare users who have an important stake in the cost, quality, and availability of both traditional healthcare and disability long term services and supports. An estimated 86,000 Vermonters experience a developmental disability as

defined by the DD Act, with approximately 5,100 receiving some type of community-based support through Medicaid.

VTDDC is charged under federal law with engaging in “advocacy, capacity building and systems change activities that... contribute to the coordinated, consumer-and-family-centered, consumer-and-family directed, comprehensive system that includes needed community services, individualized supports, and other forms of assistance that promote self-determination for individuals with developmental disabilities and their families.”

Important Points about the 2% Cut to Developmental Services Waivers and Phase 2 of the Act 82 and 85 wage increases for the DA/SSAs

- The proposed \$4.3 million cut to developmental services will require a 2% reduction in services after years of underfunding and rescissions that totaled \$14 million in cuts to services since 2009.
- More than 3000 Vermonters receive services that will be eliminated or reduced.
- Since some people served cannot manage without 24/7 support, others will experience service reductions in excess of 2%.
- DA/SSA's are currently deep into a payment reform process with DAIL that will likely lead to a reduction in services, this cut would put Vermont's most vulnerable citizens in double jeopardy
- People with Intellectual/Developmental disabilities typically require long-term services and supports. DA/SSA's provide a full range of services including residential, community and employment supports, crisis beds, respite, service coordination, etc.
- The \$4.3 million cut overrides the workforce increase agencies received this year through Acts 82 and 85 to bring staff salaries up to \$14 per hour, after these salary increases have already been given
- The workforce investment funds were awarded in recognition of high staff turnover and vacancy rates at DA/SSA's which have been blocking access and impacting quality of care

Act 82 and Act 85 enabled all designated & specialized services agencies to implement a \$14 minimum wage and increase wages for crisis staff with the \$8.37 million/2% funding increase in FY'18. The results are already evident.

- FY17 staff turnover rate decreased from 26.3% to 23.8% with the promise of new funding
- Turnover rates in FY'18 are showing improvement, including the crisis staff
- 2,000 staff received pay raises and now earn a minimum of \$28,000 per year

The VT Developmental Disabilities Council supports the second stage of the workforce investment initiative - \$5.74 million in general funds to conceptually achieve a \$15 minimum wage for DA/SSA staff and with flexibility for agencies to target compensation increases to the most critical positions to meet community needs, address local labor market dynamics, and cover health benefit costs. This is the one of the most important changes that the legislature has enacted to support individuals with developmental disabilities, please don't undermine your good work.

Each community has unique needs and labor markets. Additionally, the cost of health benefit packages of agencies rise at various rates, often due to utilization patterns for those agencies that are self-insured. Given these variables, flexibility in implementing compensation increases could maximize the value of the investment to the Vermonters served by the designated agency system.

The VTDDC is concerned that Medicaid funding that should be going to direct services for individuals with developmental disabilities or the critical individuals who support them will be diverted to administrative costs for OneCare

“Delivery System Reform Investments” in the Governor’s FY 2019 Budget Request would use 2 million dollars of Global Commitment and federal Medicaid dollars for the technology needs of an Accountable Care Organization called OneCare Vermont – a limited liability corporation owned in part by the University of Vermont Medical Center. UVM just spent more than 150 million dollars on health information technology and does not need assistance from Vermont Medicaid more than people with disabilities.

In conclusion, the Council respectfully requests that you restore the cuts to developmental disability services, fund the wage increases necessary to stabilize the workforce for Vermont’s designated and specialized services agencies, and ensure that Medicaid funds are not diverted to OneCare’s administrative costs .Thank you.