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## Legislative Update for March 25, 2019

### **House Appropriations Committee Completes First Draft of Fiscal Year 2020 Budget Bill**

The House Appropriations finished compiling the rough draft of the FY20 Budget Bill. They will take a full vote on Monday, but the straw vote was 9:2 approving it with Representatives Treiber and Yacavone voting against it.

#### In the budget:

1. Tobacco Fund Settlement language requiring the Agency of Human Services (AHS) to work with designated and specialized agencies (DA/SSAs) to develop loan repayment and tuition assistance for staff in exchange for 3-year work commitment at DA/SSAs
2. \$1.5 million in general fund for electronic health records implementation which will require an analysis by Joint Fiscal Office addressing interoperability and security for a report to the Joint Fiscal Committee in July with final approval in September
3. \$250,000 in general fund restored for SASH which was cut in the Governor's recommended budget
4. \$1 million general fund for 5 months for the 12 new inpatient beds at Brattleboro Retreat which is not in the Governor's recommended budget
5. \$200,000 for a requirement that AHS evaluate the methods that it and its community partners use to deliver services which addresses efficiency and regional offices (Committee Chair Kitty Toll expressed concern that AHS is spreading resources too thinly in light of an upcoming budget shortfall expected in fiscal year 2021 - she wants AHS to set priorities and redesign how resources are spent)

#### Not in the budget:

1. Any cost of living increase for Designated and Specialize Service Agency workforce or any other community-based agencies
2. Enhanced CRT/MyPad funding per the Governor's request
3. Developmental disability language recommended by the House Human Services Committee regarding maintaining an individual's budget level if not fully spent in the previous year nor the language requiring ongoing use of individualized budgets in light of payment reform

## **Department of Mental Health Presents Budget Request to Senate Appropriations Committee**

Mental Health Commissioner Sarah Squirrell provided an overview of her department's fiscal year 2020 budget request of \$266 million to the Senate Appropriations Committee. The budget summary can be found at:

[https://lifo.vermont.gov/assets/Uploads/4fe1beb8fa/FY2020\\_Summary.pdf](https://lifo.vermont.gov/assets/Uploads/4fe1beb8fa/FY2020_Summary.pdf)

The Committee peppered Commissioner Squirrel with many questions. Senator Kitchel asked about how much of our limited Medicaid capacity is being eaten up by school-based mental health services. Given the challenges with workforce compensation, Senator Kitchel asked, what are the tradeoffs of spending Medicaid funds in schools versus improving compensation for the workforce. She noted that the fiscal year 2019 budget adjustment act added \$16 million for school-based services, "that is not inconsequential." She is worried about being moved closer to the global commitment Medicaid spending cap when we are already maxed out on the MCO investments.

The Commissioner showed that 50% of DMH budget for children's mental health services and school-based services represents over half of those expenses. She reviewed that the funding is spent on specialized schools, school-based clinicians and behavioral interventionists. This increase is due to increased pressures and acuity in the schools. Severe emotional and behavioral challenges get in the way of students being able to access their education.

Senator Kitchel asked about the increasing needs of children. What is it in Vermont that's creating this? How do we look compared to other states? The reply was that data shows we identify children with severe emotional disturbance at a higher rate than other states. Schools see the DAs as an enormous resource, with 70% partnering with DAs to access support. The growing number of children going into state custody relates to opioid use, poverty and toxic stress. Senator Kitchel wondered out loud about what we should be doing differently. What are the factors contributing to this? We have made investments, but we don't seem to be heading in the right direction.

Senator Westman said schools are more and more hiring their own mental health staff at higher salaries, so the local mental health agency then has a hard time with adequate workforce to do the work. He would like a more comprehensive approach. He believes that we should be concerned about the capacity of DAs. Senator Kitchel agreed stating, "we are starving DAs. We have destabilized them and they have revolving staff. Are we our own worst enemy? Hospitals must add beds and schools hire their own because they can't get the level of service from DAs. We are forcing the development of a parallel system to the DAs". Senator Ashe agreed and went further, "We are destabilizing DAs then forcing schools to add to their budgets to hire staff. By destabilizing DAs we have a solution that is more expensive, but it's easier to pass school budgets, than get funding for DAs."

## **Proposal for Secure Residential Facility in Rutland**

Claudio Fort, president/CEO, and Jeff McKee of Rutland Regional Medical Center, and Dick Courcelle, CEO of RMHS testified at House Health Care on their eight-bed secure residential recovery proposal. The group noted that they have a site and a site plan and could expedite the project at a \$6-8 million construction cost with an expected annual operating cost of \$2.5-\$3.5 million. Dick Courcelle described it as a "unique opportunity for two health care organizations to come together." The group noted that having a regional approach is crucial so that people can start to integrate back into their communities as part of their recovery. Jeff McKee and Dick Courcelle noted that without adding capacity, the system will be under resourced. "We feel strongly that the proposal should be in addition

to the state’s planning on Middlesex Therapeutic Community Residence.” Representative Brian Cina noted the testimony of state workers and talked about learning from past mistakes in the design and programming to truly offer trauma-informed care.

In follow-up testimony to the House Health Care Committee, Commissioner Squirrell and Deputy Commissioner Fox reported that the Department of Mental Health wants to stay the course and continue with their plan to relocate the secure residential facility in central Vermont as a state-run 16-bed facility. They feel that Middlesex has skilled experienced staff who should continue to do the work in a new facility. In the interim, the State can upgrade and maintain the existing facility. They don’t want too many transitions for people in the facilities. Commissioner Squirrell added that there has been no analysis done to say we need the additional 8 beds proposed by the Rutland providers, she is clear that we need the 16 beds proposed by the State for a central Vermont state-run facility. If we invest in new resources, she said, we need to know that we are investing those limited resources right.

Fort’s testimony before Senate Institutions was truncated but he indicated that the Rutland group and the state had met over lunch with legislative leadership and gotten closer to a shared vision for expanding secure residential. The Commissioner’s testimony to the Senate Institutions Committee was postponed until this week.

### **House Health Care is Updated on Children’s Inpatient Mental Health Care**

Mental Health Commissioner Sarah Squirrell testified by phone about a meeting convened by AHS, at the suggestion of DA leadership, with parents, DAs and hospitals to address issues of access and treatment for children. She summarized some of the themes that emerged and shared [minutes](#) and [data](#) from the meeting. She reported that parents are trying to access crisis services more than ever and have a number of concerns:

- Challenges with physically transporting their child to the emergency department
- frustration at the distance of Brattleboro Retreat
- Unhappiness with gaps in discharge planning

She noted that parents spoke about the need for in-home behavioral supports but see a parity gap with private insurance not reimbursing for this. The Commissioner cited the Department’s Act 200 report which highlighted the need to focus on this issue. She mentioned the mobile response model as an “opportunity area” about which DA Children’s Directors are continuing to vet ideas.

### **House Health Care Committee Reviews Health Reform Goals**

Ena Backus presented Vermont’s Payment and Delivery System Reform Goals to the House Health Care Committee:

- Move away from a fee-for-service reimbursement system to a population-based payment (global budget) model
- Employ a reimbursement model that directs payments for quality and outcomes
- Create incentives to integrate and coordinate services across the care continuum to improve care and promote wellbeing for Vermonters

The All Payer Model (APM) waiver is Vermont’s approach to achieve these goals through OneCare Vermont which receives payments in a proactive way. Medicaid, Medicare and major private insurers shift risk to the accountable care organization (ACO). The GMCB is responsible to oversee the payer

agreements with the ACO to ensure alignment. The State of Vermont has an agreement with the federal government which requires GMCB to set the Medicare rate of growth for the ACO. The Agreement between the State and federal government includes:

- reasonable targets for limiting health care cost growth;
- meaningful measures and targets to support population health improvement;
- protection of Medicare beneficiaries;
- enhanced benefits for Medicare beneficiaries attributed to ACOs;
- a six-year phased-in approach to implementation (we are in year 2);
- provider-led reform;
- Vermont-specific local control;
- preservation of successful Vermont reform programs (Blueprint and SASH);
- no financial penalties to the State or Providers should targets not be achieved;
- accountability of ACOs and oversight by the GMCB.

Ena explained that this is provider led reform. Stakeholder conversations with health providers have led to scale benchmarks and multi-payer involvement. The growth target is 3.5% annually across the full length of time of the APM waiver. The Medicare target is .2% below the national growth trend which changes annually.

Committee Chair Bill Lippert wants to ensure that everyone gets all the services they need. Representative Anne Donahue is aware that mental health and substance used disorder (SUD) services are not fully integrated into the APM. She believes that this construct does not meet our principles of Vermont. Representative Mari Codes expressed interest in outcomes, in particular whether people are being discharged from hospitals too soon. Patient satisfaction is a hard quality metric but important, she noted.

### **House Health Care Learns about All Payer Model and Accountable Care Organization**

Susan Barrett and Mike Barber from the Green Mountain Care Board (GMCB) presented on the All-Payer Accountable Care Organization (ACO) Model and ACO Regulation to the House Health Care Committee. Susan Barrett explained that one challenge in moving regional reform forward has occurred where hospitals don't own primary care practices in their community (Rutland, Copley/Morrisville, Grace Cottage). Barrett explained that the GMCB's oversight in the following areas benefits the success of the model:

- Medicare ACO program design and rate setting
- ACO budget review
- ACO certification
- hospital budget review
- health insurance rate review
- certificate of need

GMCB works with the Centers for Medicaid and Medicare Services (CMS) to set spending targets for lives attributed to the ACO for Medicare and is accountable to report on progress of the ACO to CMS. Committee members' questions indicated they are at varying levels of comprehension of what the ACO is and what GMCB's role with it entails. Representative Lippert explained the goal of curbing the upward trend in health care spending using a complex model. He said the State is grappling with this question: "is this level of complexity and expense worth it to achieve these goals?"

### **Senate Passes S.7 a Bill Guiding ACO Development**

After much deliberation within the Senate Health and Welfare Committee, the full Senate passed a bill on the evaluation of social service integration with accountable care organizations. It requires the GMCB to review “The extent to which the ACO provides resources to primary care practices to ensure that care coordination and community services, such as mental health and substance use disorder counseling that are provided by community health teams are available to patients without imposing unreasonable burdens on primary care providers or on ACO member organizations. It also requires the Agency of Human Services in collaboration with GMCB to submit a plan to coordinate the financing and delivery of Medicaid behavioral health services and Medicaid home and community-based services with the All-Payer Financial Target. Senator Lyon’s intent is to build in wrap-around services and care coordination by building on the principles in Act 113.

A previous version of the bill which reflected feedback from VCP and the Developmental Disabilities Council called for broad stakeholder engagement in developing the plan for inclusion of mental health and community-based services into the All Payer Model. The Director of Health Reform for AHS, Ena Backus testified that such requirements fall outside of the plan required by the CMMI and could muddy the planning process. The plan is due December 2020. There are 18 months to conduct the planning process and Ena said they will include stakeholders. The federal government wants the State to consult with the providers but will negotiate with the State only. Delivery system reform investments (DSRI) are outside of the planning process.

### **Senate Health and Welfare Reviews Workforce Development Proposal**

Human Services Secretary Al Gobeille presented the Administration’s proposal for using \$5 million of Tobacco Settlement funds for education of mental health and SUD professionals. The University of Vermont (UVM) and Vermont State Colleges (VSC) developed proposals and received feedback from a work group and then made adjustments. The proposal is at this link:

<https://legislature.vermont.gov/Documents/2020/WorkGroups/Senate%20Health%20and%20Welfare/Workforce/W~Al%20Gobeille~Workforce%20Substance%20Use%20Disorder%20Spending%20Plan~3-20-2019.pdf>

It includes these components:

- UVM Doctorate program in psychiatric nursing with free tuition for 20 students
- UVM health and wellness coaching certification program
- VSC Recovery coaches training for 75 peer recovery coaches in collaboration with VAMHAR
- VSC Associates and certificates studies in SUD for apprenticeship certificates
- VSC Bachelor’s degree studies SUD leading to CADC
- VSC Master’s degree studies in mental health and SUD with free tuition for 45 new students, and support for 35 existing students using the Johnson, Williston and Northeast Kingdom locations

Vermont Care Partners will testify to the committee this coming week about our proposal for loan repayment and tuition assistance in exchange for a 3-year commitment to employment at a DA/SSA.

***To take action or for more information, including the weekly committee schedules:***

- Legislative home page: <https://legislature.vermont.gov/>
- Sergeant-at-Arms Office: (802) 828-2228 or (800) 322-5616
- State House fax (to reach any member): (802) 828-2424
- State House mailing address (to reach any member):  
Your Legislator  
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- Email, home address and phone: Legislators' email addresses and home contacts may be found on the Legislature home page at <https://legislature.vermont.gov/>
- Governor Phil Scott (802) 828-3333 or <http://governor.vermont.gov/>

The purpose of the legislative update is to inform individuals who are interested in developmental, mental health and substance abuse services about legislative advocacy, policy development and activities that occur in the State Legislature. The Vermont Council is a non-profit trade association which works in partnership with Vermont Care Network to form Vermont Care Partners. Together our mission is to provide statewide leadership for an integrated, high quality system of comprehensive services and supports. Our membership consists of 16 designated developmental and mental health agencies.