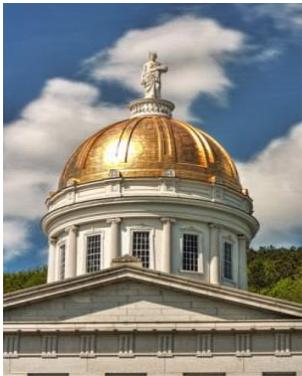




Supporting Vermonters to lead healthy and satisfying lives community by community

## Legislative Update for May 11<sup>th</sup>, 2020



*The COVID 19 pandemic has changed the focus of Vermont Care Partners' advocacy efforts as our provider network has revamped our services to meet the needs Vermonters in new ways with careful precautions for health and safety of those we serve, our workforce and partners. Legislative work is now happening remotely.*

### ***Updates on State Actions and Advocacy***

#### **Update of the New Fiscal Realities**

Excellent summaries of Vermont's current fiscal picture are updated generally on a weekly basis and can be found at this Joint Fiscal Office website link: <https://jfo.vermont.gov/subjects/covid-19-documents/jfo-updates-and-information>

Maria Bellevue of the Joint Fiscal Office reported on further federal response and stimulus bills. She explained that there are discussions about the next federal bill which could include funding for state and local government, infrastructure, and election security. However, there has been some concern about offering more stimulus at all on the part of U.S. Senate leadership. It will not be clear if/what additional funding to states or other virus federal response program may be enacted until later in May/June. A full list of federal resources received to date is available on the Joint Fiscal Office website.

On May 4<sup>th</sup> Commissioner of Finance and Management Adam Greshin and Budget Director Richard Donahee presented the Administration's budget adjustment proposal. There are no policy decisions, it is focused on balancing the budget to get to the end of the current fiscal year which has less than two months to go. The full process to pass the bill and sign it into law is expected to take more than a month. The Commissioner said the State entered the crisis in good fiscal health. The reduction in general fund revenue in FY20 is estimated at \$194 million. Medicaid expenditures for health care are down by over \$8.7 million due to reduced utilization. The FMAP increase of \$38 million will also offset the revenue

loss, that and other adjustments will lead to a deficit of \$138 million for FY20. To address the shortfall the administration is recommending the use of reserves coupled with language directing that deferred income tax funds (that will be filed during the summer) be used to replenish the reserves.

Representative Hooper asked about the other federal funds coming in. This budget adjustment proposal does not include any funding from the CARES Act. There will be a reconciliation process to fund COVID-19 related expenses.

The Legislature will commence work on a proposal from the Administration on the FY21 budget (due out very soon) that will only be focused on the first quarter of the fiscal year which is being referred to as the "skinny bill". A second FY21 budget bill will be developed after anticipated revenues and expenses become more defined in August. There is a real possibility of rescissions at the level of 5% or higher, due to significant revenue decline in fiscal years 20 and 21.

On April 30<sup>th</sup> economist Tom Kavet presented an updated revenue projection to the two appropriations committees. His talking points are here: <https://legislature.vermont.gov/Documents/2020/WorkGroups/Senate%20Appropriations/FY%202021%20BUDGET/13%20%20Covid-19/W~Tom%20Kavet,%20Legislative%20Economist,%20Kavet,%20Rockler%20and%20Associates~JFO%20Economic%20and%20Revenue%20Update%20Notes%20-%202004-29-20~4-30-2020.pdf> He pointed out that, "Current economic conditions are dominated by epidemiological and federal policy events with massive economic consequences, not business cycle economic imbalances in need of correction. As a result of this, future State economic activity and revenue flows will be primarily controlled by the progression and characteristics of the COVID-19 pandemic - and the federal responses to mitigate some of its effects." He concluded that FY21 revenue reductions from the prior January 2020 forecast across all funds analyzed are likely to be three times higher than FY20 losses. The analysis will be continuing and updated as new analysis and information becomes available.

FY21 order of magnitude estimate is being worked on with the Administration and should be ready before May 15<sup>th</sup>. The FY20 estimates are consensus, using Moody's assumptions for the most part. There is much uncertainty and the need to continually update the revenue forecasts. This is an epidemiology event with huge economic impacts, but the epidemiological models have very limited data for input and only go for the period of 8 weeks. While Vermont has high compliance relative to other states, there is a lot of interstate commerce. The federal offsets are unprecedented in magnitude with Vermont getting a disproportionate share of the federal funding. The behaviors of consumers will also impact economics. There may be a reticence to use services including tourism and restaurants. Unemployment in Vermont is above 20%. Revenues will be impacted by whether there are second or third waves of COVID -19 that spread through the country, in addition to whether (or when) a vaccine or treatments are developed, so there is limited clarity to project revenues for the next 2 – 3 years.

On May 6<sup>th</sup> AHS finance Director Sarah Clark presented the AHS new budget adjustment request to the Senate Appropriations Committee. The only department with increased funding is DCF for emergency housing and food assistance. The DAIL and DMH budgets are proposed for level funding through the end of the current fiscal year.

### **Essential Employee Hazard Grant Program Gains Support**

The Senate Appropriations Committee unanimously passed the Essential Employees Hazard Grant Program Bill, S.346, April 28. The program will pay eligible employees performing essential work that exposes them to an increased risk of contracting COVID-19. A list of eligible occupations appears in the

bill. The program was shortened from a three month to a two month period to reduce the cost estimate from \$89 million to \$60 million. Committee Chair Senator Jane Kitchel (D-Caledonia) said there was concern that too much of the federal Coronavirus Relief Funds were being used while state needs were still being assessed. For each monthly period during the program period in which a covered employer submits documentation showing that an eligible employee actually worked at least 108 hours, the eligible employee shall receive a \$1,000 grant. Eligible workers who worked at least 34 hours and less than 108 hours, shall receive a \$600 grant per monthly period. Except in the case of employees of home health agencies and nursing homes, the employee must earn an hourly base wage of \$25.00 or less. Employees of Designated and Specialized Agencies are not eligible for the program because they are on a separate funding track through the Agency of Human Services. S.346, has passed the Senate and is now under consideration by the House Commerce and Economic Development Committee.

### **Health Committees Review Telehealth**

Legislative Council Jen Carbee reviewed the legislation and rules developed by the Division of Financial Regulation around the use of telehealth which was implemented as part of Act 91 (H.472). She pointed out that the federal HIPAA rules were relaxed to allow for types of communication that would not otherwise be covered. Nissa James and Hillary Hill from DVHA spoke about the changes they have implemented for telephone services to ensure access to care and reimbursement for providers without requiring the telemedicine requirements. They have found that many patients can't or are not able to use telehealth with audio components. They encouraged telemedicine (video/audio) whenever possible. Temporary coverage of audio-only services has been allowed for triage codes. They also adjusted codes to allow clinical codes with specific modifiers to be billed.

Sebastian Arduengo, Assistant General Counsel, Department of Financial Regulation said that audio-only has only been allowed by rule on an emergency basis. Katie Marvin MD, from Stowe Family Practice testified on the value of telehealth for mental health and substance use disorder services. Catherine Fulton, Executive Director, Vermont Program for Quality in Health Care (VPQHC) explained that they had convened a telehealth workgroup in advance of the COVID-19 crisis with a focus on understanding population health through review of data and by ensuring that providers had the necessary information to optimize the use of telehealth. The VPQHC website has pages on telehealth resources and an events page. These pages include an inventory of payer policies, implementation resources, extensive curriculums, recordings of past webinars, FAQ documents, PDFs of presentations, information about upcoming telehealth events and other resources. VPQHC has hosted two webinars related to telehealth.

Helen Leburn highlighted uses of telehealth: 1. Phone check-in of patients initiated by the provider; 2. triage calls initiated by the patient to address whether the patient needs treatment; 3. Audio-only telemedicine to reach patients who might not otherwise be seen. She said the audio-only has been essential during this emergency, but she suggested that individuals have individual emergencies at any time, not just during pandemics. So, she recommended that reimbursement for this service should be added to the ongoing toolbox for health care to ensure a bridge to services. This is one of the important lessons learned during the crisis.

On May 7<sup>th</sup>, the Health Committees returned to the proposal for further analysis of telehealth and reviewed the draft bill titled "Patient access to health care services delivered through telehealth". The proposed legislation calls for VPQHC to consult with the statewide telehealth workgroup, department of public services, health providers and consumers to conduct a connectivity needs assessment on telehealth implementation; estimate the necessary costs; identify areas of the State without broadband access that are medically underserved or have high concentrations of people who are vulnerable or at high risk; and identify opportunities to maximize potential federal funding. This work would build on

previous work of the VPQHC telehealth workgroup. Helen Leburn said the work with DFR on telehealth has gone well. She said she would like to see audio-only phone services funded through the end of FY21. Senator Lyons wants to make sure that Vermont Care Partners is involved; there are already representatives from the Howard Center.

### **House General, Housing and Military Affairs Addresses Homelessness**

Mary Moulton, the Executive Director of Washington County Mental Health Services and member of the Central Vermont Accountable Community for Health, THRIVE, spoke to the Committee about the lessons learned in housing people who are homeless during the Covid-19 epidemic. She explained that when there is a “disaster”, there is a honeymoon period when people come together to offer assistance to one another. “This results in a quiet time – a lull in people reaching out for immediate help. During this lull, the help given pro-actively is most often received gratefully from everyone from all walks of life as the common denominator has been homelessness, hunger, uncertainty, hopelessness, fear, etc. In this case, with COVID-19 wrapped around the already existing stress [that] homeless people were experiencing, the burst of greater stress was just tucked in for a bit.” She shared data about the general population, as well. In the U.S., 45% of the adult population said the pandemic affected their mental health; 19% said it was a major impact (Kaiser Family Foundation poll). Express Scripts reported that between February and March there was a spike of 34% for anti-anxiety medication; 18.6% for anti-depressants; and 14.8% for anti-insomnia medication. Nielsen polls reported that alcohol sales were up 55% in the first two weeks of March. She noted that specialized subsets of the population have an even harder time. She went on to recommend actions to support homeless people to achieve stable housing and support and recommended prioritizing families. Full testimony can be found here [Testimony - House General Housing and Military Affairs May 1 20201](#)

### **Senate Health and Welfare Develops Legislation to Plan for After the Pandemic is Past the Disaster Stage**

Senator Lyons asked Legislative Council Katie McLinn to draft a bill to create a health care emergency State plan which would require: (1) departments and agencies involved in Vermont’s response to the COVID-19 pandemic to submit data to the Secretary of the Administration pertaining to their respective responses to the pandemic; and (2) the Secretary of the Administration to establish a task force for the purpose of creating a strategic State plan to address any future statewide health care emergencies that may arise. The proposed task force would include participation by agency and department heads or their designee and specifies that the Secretary of the Administration leads the group.

Secretary of Administration Suzanne Young testified that the Administration has a process for working through the pandemic in the future recovery stage. Secretary Young said the proposed legislation is compatible with the existing plan and the emergency operations center. She suggests that those working on the plan should be the ones working on the objectives of the bill, however they are remarkably busy now. An “After Actions Review Plan” will be the focus when they are ready to move beyond the focus of the current emergency response. Senator Lyons said no testimony on the bill has been taken yet. They plan to call in the Department of Health.

### **Senate Caucus**

Becca Balint asked Commissioner Levine to address the despair felt by Vermonters. Commissioner Levine said psychiatry is highly effective through telemedicine. He said suicide rates have been stable year over year. He thinks social media has been helpful. He thinks we should focus on physical

distancing rather than social distancing. He thinks the mental health system will have a lot to do in the future.

***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
- Legislators' email addresses 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.