FY21 BUDGET REQUEST - 3% RATE INCREASE TO ADDRESS MENTAL HEALTH NEEDS

Designated and Specialized Service Agencies (DA/SSAs) are under tremendous fiscal stress which is unsustainable and unconscionable when COVID 19 is increasing needs and the costs of providing

DA/SSAs have stepped up to the plate to meet the growing needs of our communities during the COVID-19 pandemic with strong support and flexibility from the Agency of Human Services and the Legislature. We rapidly pivoted to keep people safe, fed, housed, clinically-supported, protected and healthy. Our staff have been remarkable, implementing creative "can do" approaches to services.

A 3% rate increase is necessary to ensure the continuation of our high quality accessible services that promote and support community safety, education, employment, stable housing, and strong and healthy families and communities, and reduce hospital utilization, involvement with law enforcement and corrections, and address rising overdose and suicide rates.

THE IMPACT OF COVID 19

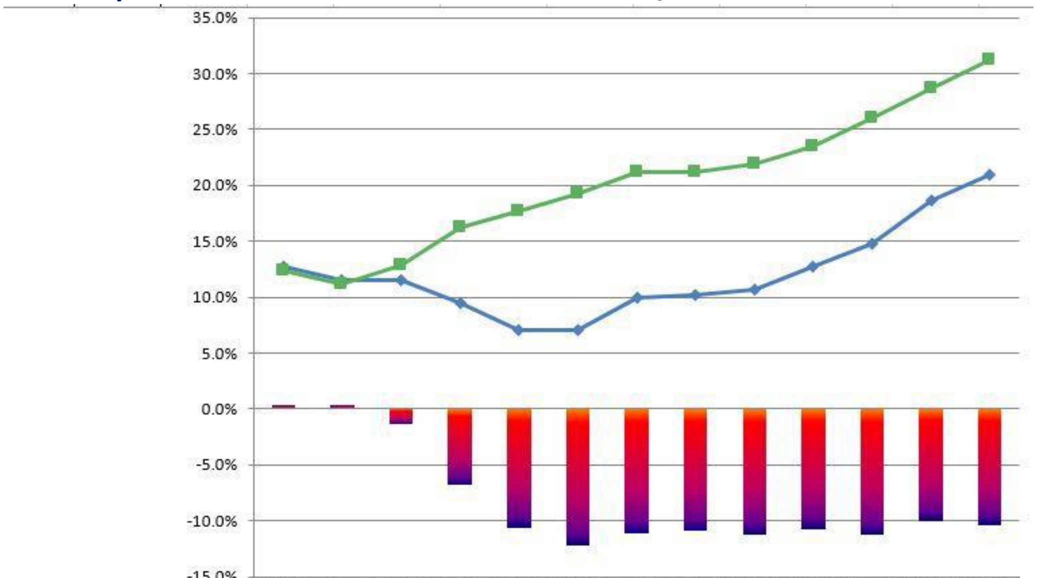
- **Increased demand for high-need mental health and substance use disorder services is expected long past the end of the pandemic**
- **People with intellectual and developmental disabilities are experiencing increased psychic distress due to isolation and confinement**
- **The UVM Center for Rural Studies survey of 1,500 Vermonter found that Vermonters who reported feeling "somewhat or very anxious" increased from 32% in 2017 to 58% during the pandemic and people feeling "somewhat or very unhappy" rose from 13% in 2017 to 25%**
- **Loneliness, homelessness, food insecurity and financial distress are also increasing**
- **During the early stage of the pandemic our service volume was down, but telehealth services grew exponentially**
- **In-person, office-based and community-based services are being carefully phased back in requiring enhanced training, equipment, and resources**
- **Workforce challenges are increasing as many staff are retiring or need leave time to care for young and older loved ones**
- **Recruiting and training new staff requires added expenditures and higher compensation levels**
- **Reductions in school contracts and revenues that support the full continuum of care are destabilizing the fiscal health of DA/SSAs**

LEVEL FUNDING DOES NOT EQUAL FULL FUNDING – NOW IS THE TIME TO FULLY FUND DA/SSAs

- **The State is responsible for over 90% of the revenue of DA/SSAs**
- **DA/SSA's rates of reimbursement from the State are insufficient to cover costs with no direct correlation between payment rates and actual cost of services**
- **As other health providers and state government continue to give compensation increases the pay parity gap continues to widen**
- **Years of insufficient rate increases have resulted in greater demands and stress on staff with high vacancy and turnover rates; closure of some programs; deferred maintenance of buildings; and growing financial fragility of agencies.**

- **Level funding does not address the actual and increasing costs facing DA/SSAs for health benefits, cleaning, PPE, IT and equipment**

The Gap between Consumer Price Index and DA/SSA rates is unsustainable



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Funding Gap	0.4%	0.3%	-1.4%	-6.7%	-10.7%	-12.2%	-11.1%	-10.9%	-11.2%	-10.7%	-11.2%	-10.0%	-10.3%
Cumulative Approp Inc.	12.75%	11.50%	11.50%	9.50%	7.00%	7.00%	10.00%	10.22%	10.70%	12.70%	14.80%	18.60%	20.89%
Cumulative CPI* (NE)	12.3%	11.2%	12.9%	16.2%	17.7%	19.2%	21.1%	21.1%	21.9%	23.4%	26.0%	28.6%	31.2%

inadequate rates negatively impacts the fiscal health of agencies such as Days of Cash on Hand