Vermont Care Partners
Presentation to Department of Mental Health
July 25, 2017
Barriers and Gaps in Services
And Workforce Challenges

Introduction

Vermont Care Partners is very appreciative of legislative directives in Act 82, including the call for the Secretary of Human Services, in collaboration with the Commissioner of Mental Health and the Green Mountain Care Board, providers, and person affected by current services, to produce an analysis and action plan for the General Assembly. This is the right approach because together we can best craft solutions to improve services for individuals and families who have developmental disabilities and mental health conditions.

Vermont Care Partners (VCP) and the designated and specialized service agencies (DA/SSAs) are working with other providers to improve services from prevention to assessment to treatment to crisis. We are part of a larger health care and human services system and also work with the ACOs and multiple departments, boards and agencies of state government with the shared goal of supporting Vermonters to lead healthy, safe and satisfying lives in our communities.

Vermont state government generally operates with frequent leadership changes in both the executive and legislative branches which inevitably have led to disruptions in institutional knowledge about commitments made to the individuals, families and staff of the designated and specialized agency (DA/SSA) system for developmental and mental health services. It is important that we do not lose sight of these commitments, and that we acknowledge both planned changes, such as closing the Brandon Training School, as well as unplanned changes, such as closing Vermont State Hospital due to tropical storm Irene. We ask that the Agency utilize historic information, in addition to current data and perspectives, to inform future decisions. The PHPG study from 2004 has clear recommendations on funding both inflationary increases and caseload growth, while the VCP Workforce White Paper from 2016 provides strong examples of the impact of high staff turnover on clinical outcomes. The recommendations made in these documents still hold true today.

Over the past year there has been significant acknowledgment and recognition within both the Agency of Human Services and the Legislature that the DA/SSA system has not been funded adequately over time to keep up with market changes, inflation, shifting funding streams and changes in caseload demands. We look forward to partnering with State leaders to create a long term plan that corrects this trend and brings the DA/SSA system back to necessary funding levels to achieve the desired outcomes.

Why is this System of Care important to Vermont?

Our $420 million system of care is essential to VT's safety net, economy and health reform efforts

- The social determinants of health play a larger role than genetics, environment and medical care all combined on health outcomes and costs.
- We effectively serve Vermonters with complex and costly health conditions at low costs.
- RBA data shows successful cost avoidance of emergency rooms, inpatient and institutional care.
- Substance abuse services to address Vermont's opiate crisis require adequately paid staff.
- Our services are essential to address child abuse and neglect, and for kids to succeed in school.
- Our services reduce costs in the criminal justice system.
- We help people achieve employment and stay in the workforce.

What do we need?

Designated and Specialized Service Agencies need a significant investment in our base funding, plus annual predictable cost of living adjustments (COLAs) to achieve a viable and sustainable system of care with livable wages for our staff

- The COLAs received by the DA/SSAs over the last 10 years are well behind the New England CPI leading to thousands of our workers earning less than a $15/hour livable wage.
- We need to stabilize this system after years of cuts and increased uncovered costs such as health insurance, electronic health records development, etc..
- These services have demonstrated their value over time and as such, must be funded adequately and predictably.
- We need a paradigm shift recognizing that these specialty care services are unique and essential to the populations experiencing mental health conditions, substance use disorders and/or developmental disabilities.
- Student loan forgiveness for Masters level Clinician who often carry a very heavy student debt load. It would help significantly to attract and retain employees in these positions.

What has changed?

There is increasing demand for Developmental Disabilities. Mental Health and Substance Use Disorder Services which compounds the investment needed for services

- Financial investments must address increased demand for care and a shift in the balance from high-cost acute care to health promotion, prevention, early intervention and community based treatment.
- Recent growth in the Developmental Services budget is due to new people and services while the cost per person is below the national average.
- More babies now survive with life-long disabilities and health conditions.
- More people with disabilities live to old age with multiple health and service needs.
- We are seeing an increase in some health conditions: autism, early onset Alzheimer's disease, addictive disorders, and mental health challenges for children and families.
- In spite of new investments hundreds of Vermonters are waiting for treatment for opiate addiction affecting the well-being of children and families, as well as public safety.

What is the impact of under-funding on Services?

Low Medicaid rates lead to inadequate compensation to 13,000 workers & reduced quality of care

- Recruitment and retention of skilled and trained staff is a growing challenge because of our low compensation, which does not keep up with inflation.
- A 2014 analysis indicated that Bachelors level staff at the DA/SSAs earn salaries $18,000 below state employees doing equivalent work and licensed clinicians earn salaries more $16,000 below state employees doing equivalent work. The gap has only grown since then.
- Raising the DA and SSA direct care workers compensation up to the level of state employee compensation would require an estimated investment of over **$40 million.** In FY17 and FY18 state employees received average pay raises of 3.7% and 3.95% and health benefit of increased value. In the corresponding years DA/SSAs received increases of approximately 2%.
- Quality of care is based on long lasting, trusting relationships that are disrupted by our staff turnover rates that averaged 26.3% in FY16, creating longer time in treatment.
- Reducing staff turnover will increase staff productivity by well-trained and experienced staff.
- For a number of years DA/SSAs have been operating with hundreds of staff vacancies. Empty positions reduce access to needed services and supports.
- Costs related to turnover, such as recruiting, on-boarding, lost productivity and training average at least $4,160 per position.
- High staff turnover in direct care positions creates a significant loss of revenue that far outweighs any vacancy savings.

- Lack of regular, predictable increases creates limited ability to plan salary and benefit changes, and to communicate those to staff as a turnover prevention strategy.
- DA/SSAs depend on Medicaid and state funding for over 85% of revenues, so unlike other health providers, can't cost shift to commercial insurance.

What are the Barriers to and Gaps in Service?
Multiple and restrictive payment streams reduce the ability to provide the right treatment, in the right amount at the right time.

- Adult Outpatient programs serve individuals who have high acuity and complex mental health and substance use treatment needs are under-resourced. These multimodal and comprehensive services include case management and service coordination to supports individuals to access the housing, transportation, and benefits they need to stabilize their mental health. Psychotherapy is one component of care.
- There are limited treatment options for people enrolled in Medicare and some private insurance due to restrictive staff credentialing.
- Commercial insurance reimburses for a limited menu of services, thereby restricting the scope of interventions that are reimbursable. Medicaid does not allow multiple appointments on the same day which adds to unnecessary transportation costs and duress for clients .
- The micro management and limitations on how funding increases may be implemented creates barriers and inequity between agencies. Greater flexibility in new appropriations would improve DA/SSAs' ability to address recruitment and retention.
- There are inconsistent expectations of staff credentialing for like positions at DA/SSA's versus State of VT positions. Allow more flexibility for the DA/SSA to determine staff competency and ability, rather than on solely on degree level.
- The licensure and credentialing bar has been moved higher and higher. Staff, therefore have increased student loan debt to achieve required levels of college credits and coursework.
- 5 year Psychotherapy Roster limit imposed by DVHA starting in 2021 will reduce or eliminate current MA level non-licensed staff from providing psychotherapy.

What will be the Impact of $14/hour Minimum Wage?
A positive impact is expected

- It will have a positive impact on our ability to recruit and retain entry level staff as is evidenced by at least one agency which implemented the increased wages in the Spring of 2017.
- However, the increase to this limited scope of employees has a direct impact on all other staff as it relates to compression. The necessary compression adjustments were not fully funded in FY18.
- This change has not yet been implemented statewide and agencies do not know what their share of the new funds will be, so the full impact will not be known for some time.

What will be the impact of 85% of market rate pay for crisis staff?
A positive impact is expected

- It will enable DAs to recruit and retain a quality workforce in crisis bed programs which will result in the maximizing crisis bed capacity.
- It will result in fewer vacancies and a more experienced level of staff as turnover rates are also reduced.
- This change has not yet been implemented statewide, and the impact will not be known for some time, but an agency which implemented this change is advance has seen improved utilization of their crisis beds.

What is the timeline and actions necessary for addressing future need?
Further research, analysis and planning are necessary and should be done as a collaborative process inclusive of GMCB, AHS and its departments (DVHA. DMH, DAIL, VDH, DCF) integrated into the State's health payment and service delivery reform efforts

- We should update the analysis of DA/SSA positions with similar positions in State and other health care providers to develop a better estimate of the wage gap and the cost to correct it.
- The State should balance the funding and expectations of the physical health care and DA/SSA systems of care to achieve improved outcomes consistent with those achieved by European countries which invest more in community-based human services and spend less on acute health care.
- Change how funding for mental health and substance abuse care is allocated in the Blueprint to maximize investment in the social determinants of health and achieve improved outcomes
- Continue work on addressing the under-funded and unfunded mandates identified by VCP.
- The Act 82 plan and timeline should be integrated with the plan to incorporate mental health, developmental services and substance use disorders into the All Payer Model.
- Reenergize the analysis, design and implementation of value-based payment models and flexible service delivery systems to better use resources effectively and efficiently to meet the needs of Vermonters.