

# **Vermont Department of Mental Health**

## **Fiscal Year 2012 Budget Request**



# Department of Mental Health

## VISION

Mental health will be a cornerstone of health in Vermont. People will live in caring communities with compassion for and a determination to respond effectively and respectfully to, the mental-health needs of all citizens. Vermonters will have access to effective prevention, early intervention, and mental-health treatment and supports as needed to live, work, learn, and participate fully in their communities.

## MISSION

It is the mission of the Vermont Department of Mental Health to promote and improve the mental health of Vermonters.

## VALUES

We support and believe in the Agency of Human Services values of respect, integrity, and commitment to excellence and express these as:

### **Excellence in Customer Service**

- People receiving mental health services and their families should be informed and involved in planning at the individual and the system levels
- Services must be accessible, of high quality and reflect state-of-the-art practices.
- A continuum of community-based services is the foundation of our system.

### **Holistic approach to our clients**

- We can promote resilience and recovery through effective prevention, treatment, and support services.

### **Strength Based Relationships**

- It is important to foster the strengths of individuals, families, and communities.

### **Results Orientation**

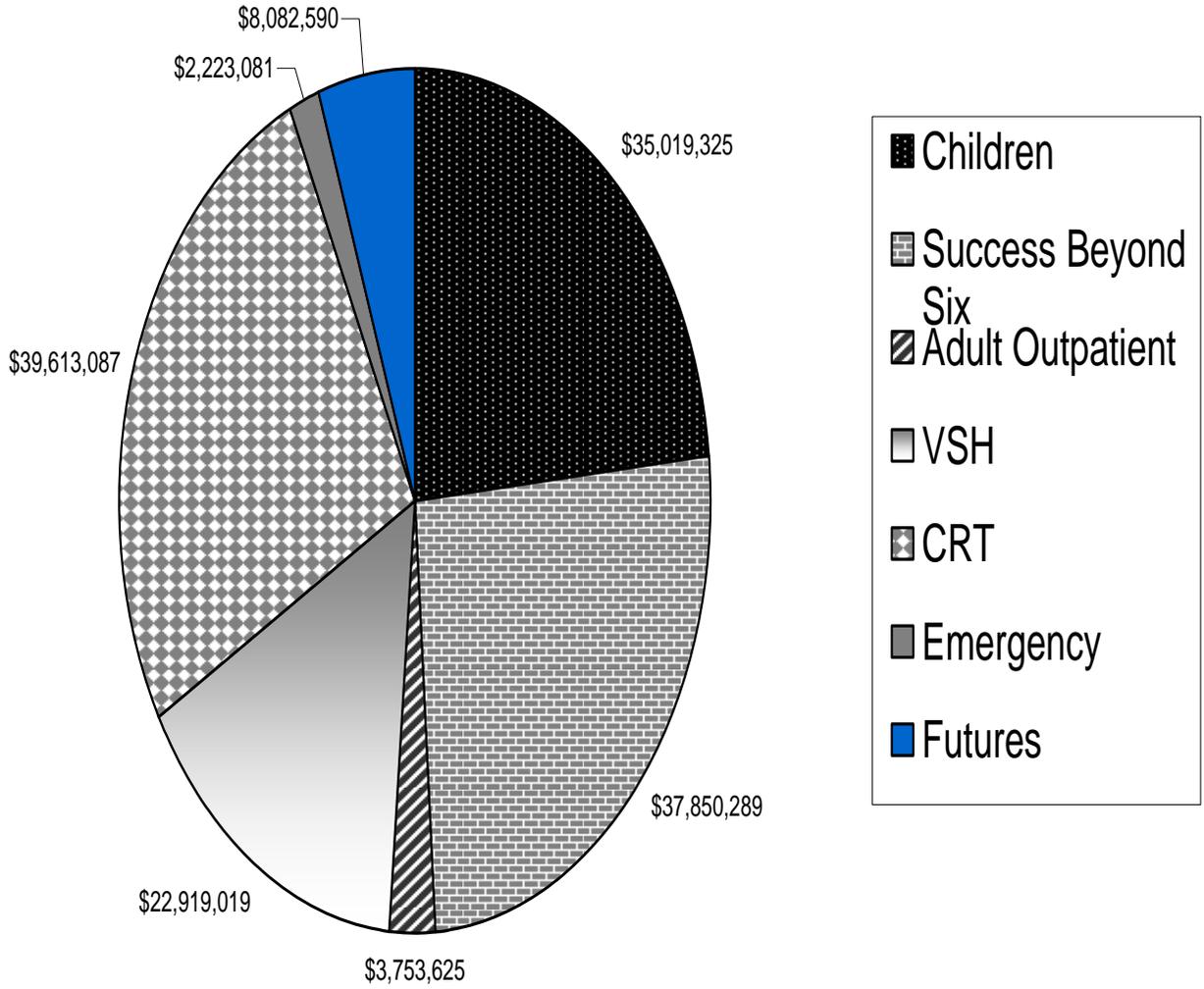
- Strong leadership, active partnerships and innovation are vital strategies to achieve our mission.
- We are accountable for results.

## **Priority Service Functions of DMH**

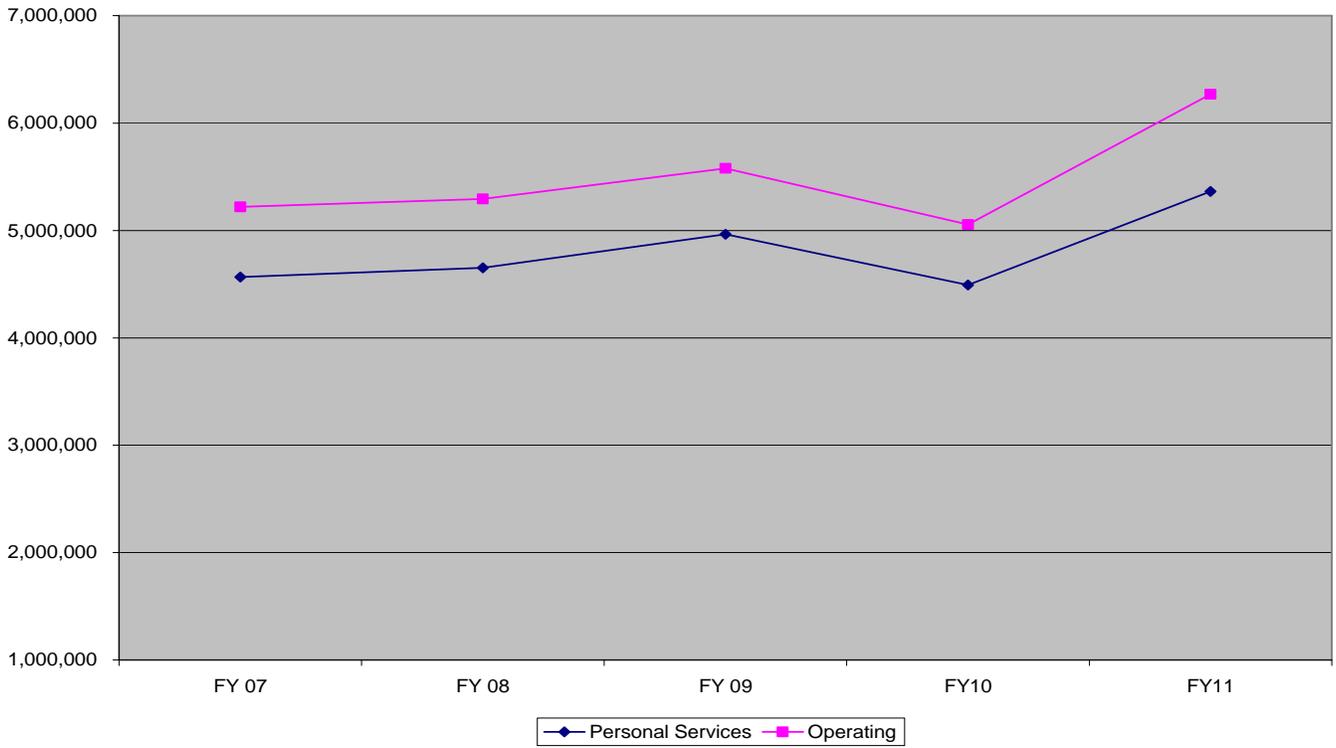
The Department of Mental Health (DMH) commitment to direct services and community-based mental health care and treatment is reflected in the following priority areas.

- The highest priority of the DMH is the direct service and operations of the Vermont State Hospital, which provides inpatient psychiatric care to over 200 persons annually.
- The Designated Agency (DA) community-based mental health service delivery system holds the second and third major priority functions of the DMH.
  - This system includes the Community Rehabilitation and Treatment (CRT) programs serving adults with severe and persistent mental illness (SPMI) and children and adolescents with severe emotional disturbances (SED).
  - The third DMH priority function is the Emergency Services Programs with a 24/7 mental health crisis response capacity at each DA.
- The final priority function of DMH is the operations of the central office for budget development, resource acquisition and allocation, and oversight of the system of mental health service delivery and care.

# Department of Mental Health Programs

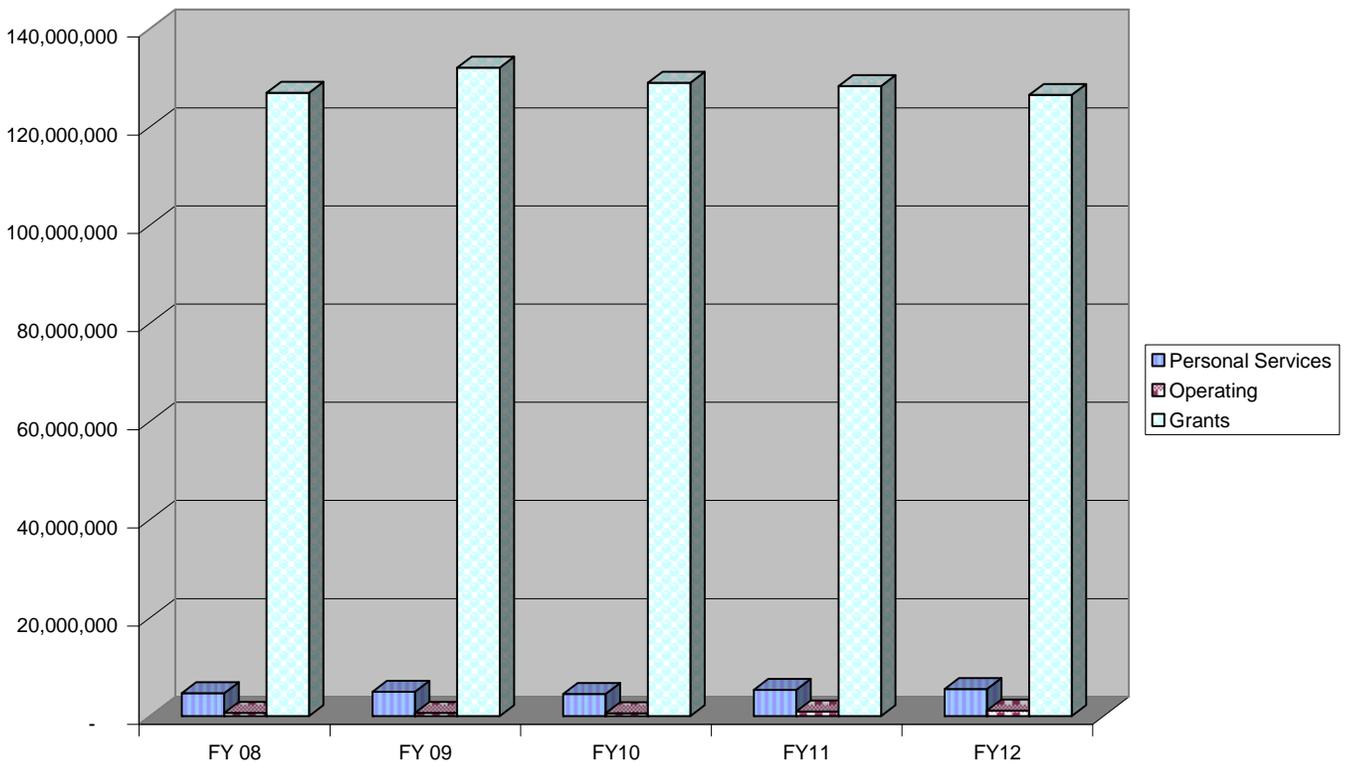


**MH Admin and Support FY07-FY11**



\*In FY11 the DMH business office moved from the VDH to the DMH appropriation.

**MH Expenses FY08 - FY12**



## **About the Department of Mental Health**

State law specifies that Vermont's publicly-funded community services system for individuals of all ages with mental health disorders be provided through contracts between the DMH and private, nonprofit community provider agencies. Currently, DMH contracts with 11 such provider agencies, ten of which are known as Designated Agencies (DA s) and one of which is a Specialized Service Agency (SSA). There is only one DA per geographic region. The DA's have, by statute, bottom line responsibility for assuring that a comprehensive range of services is available for the following priority populations within their defined service area: Adults with severe and persistent mental illness (SPMI) and children and adolescents with severe emotional disturbances (SED). The DMH also contracts with one SSA to provide services only for children and adolescents.

## **DEPARTMENT OPERATIONS AND PROVIDER MANAGEMENT**

### **Operations**

The central office of the Vermont Department of Mental Health ensures that internal and external program operations pursuant to its statutory responsibilities under 18 V.S.A. Chapter 173 are adequately resourced, monitored, and that development activities sustain and promote the existing public mental health adult and child services network. Operations functions include administrative support, financial services, legal services, provider monitoring, care management and utilization review, system development and technical assistance, and community housing.

The **Administrative Support Unit** staff are often the first point of contact and triage for incoming inquiries from consumers, family members, and service providers. Administrative Support Services staff respond to the daily internal and external communication flow with operations and clinical services staff, AHS and our community partners. Support staff work closely with program staff in the development and execution of service provider contracts and grants, as well as, ordering, production, document management, and other clerical services necessary to support their respective units within the DMH.

The **Financial Services Unit** works closely with all staff; internally overseeing the budget development process as well as invoicing, coding, accounting, and ensuring payment authorizations for sub-contractors and grantees while externally tracking and monitoring financial reporting and accountability of the DMH, the DA provider system and community-based advocacy, family, and consumer-run organizations.

The **Legal Services Unit** is comprised of staff from the Attorneys General Office and DMH paralegals. It supports the DMH and VSH with legislative and policy review activities, tracking court orders and petitions, and various other proceedings requiring attorney representation.

### **Provider Oversight/Performance Indicators**

Central office staff members from both the Adult Unit and the Child and Family Unit (CAFU) are responsible for monitoring community program services, designating agencies every four years as outlined in the Administrative Rules for Agency Designation, and designation of hospitals for involuntary psychiatric care through various oversight activities of the DMH. Additionally, the DMH, under the statutory responsibilities of the Commissioner of Mental Health (18 V.S.A. § 7408), oversees Electroconvulsive Therapy (ECT) treatment. Staff members ensure that review activities for DA's and hospitals are conducted and corroborating program, policy, and outcomes information compiled. Research and Statistical Unit personnel provide routine and ad hoc data review and analysis from various provider services information and data submissions. The activities include agency reviews, records documentation minimum standards, and tracking agency or hospital information reporting for the ten DA's, one SSA, and the five Designated Hospital psychiatric inpatient programs.

Quarterly, key financial performance indicators are composed and reviewed for signs of fiscal weaknesses. In particular, days of net assets, current ratio, gain/loss, days of cash, and admin cost ratio are closely examined. Monthly financial data and client-level encounter data are submitted to DMH for purposes of tracking both financial health of the organization and service delivery to persons served by the DA. Any agency highlighted as having potential shortfalls is contacted and dealt with on an individual basis. Provider grant agreements are developed annually to outline service delivery level expectations.

### **Clinical Care Management and Utilization Review**

These review activities, in compliance with the State's Medicaid Global Commitment Waiver and Managed Care Organization (MCO) requirements, focus on the use of the most expensive services, inpatient care, and on adult clients with the most intensive mental health services needs (Community Rehabilitation and Treatment (CRT) program clients and persons subject to involuntary emergency examination hospitalization). Staff members are responsible for acute adult inpatient authorization and continued stay reviews for this population at five Designated Hospitals. In addition, this team works closely with Emergency Services Programs to provide communities with needed crisis response. The staff work as needed with Designated Hospitals and VSH to facilitate aftercare support and services for patients with complex mental health needs. Finally, this team provides training to the Qualified Mental Health Professionals who screen admissions into involuntary care and the custody of the Commissioner of Mental Health.

### **System Development and Technical Assistance**

The DMH actively explores funding opportunities, as well as, community collaboration and mental health practice improvement initiatives. These efforts are designed to bring supplemental federal and other grant resources to our mental health provider system and assure that the work force is current with new treatment approaches and evidence-based practices in the field of community mental health services. In addition, the DMH staff provide consultation to program development initiatives and technical assistance for the implementation of specific practices.

### **Community Housing**

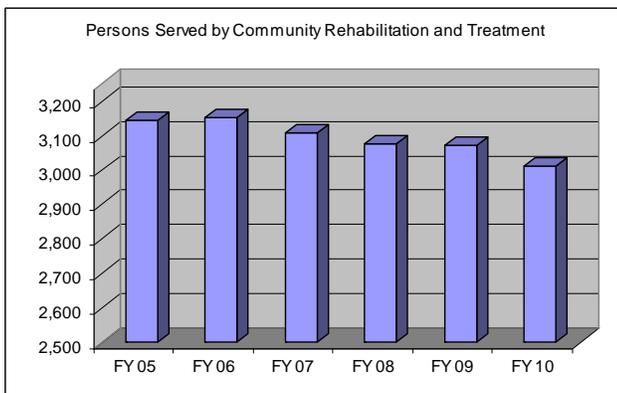
Access to safe, affordable housing is critical to the well being of Vermonters with disabilities and who live on extremely limited incomes. The DMH assumes a leadership role in the development and preservation of, and access to affordable housing. Staff coordinates the continuation of existing HUD funding and actively pursues opportunities for new funding for housing. These activities require close working relationships with Vermont's not-for-profit housing developers and with the local and state housing authorities. In addition, DMH works closely with the shelters and service providers who assist Vermonters who are homeless to gain housing.

## ADULT SERVICES

The Adult Services Unit of the Vermont DMH focuses on the public mental health system for Community Rehabilitation and Treatment (CRT), Adult Outpatient Services, Emergency Services, and inpatient hospitalizations at the Vermont State Hospital and designated hospitals in the community.

### CRT Programs

Vermont is nationally recognized for using evidence-based practices to serve people with major mental illnesses. Evidence-based practices include supported employment, integrated treatment for mental illness and substance abuse, specialized treatment for people who are high users of services and will harm themselves, illness self-management and recovery, and family and peer-taught psycho-education for families and providers. CRT programs provide community-based mental health services to enable individuals to live with maximum independence in their communities among family, friends, and neighbors.



Over the past five years, the Designated Agencies have served an average of just over **3100** CRT clients per year. CRT clients are adults with severe and persistent mental illness who meet eligibility criteria that include diagnosis, service utilization and hospitalization history, severity of disability, and functional impairments.

### Supported Employment for CRT Clients

Work is often cited as one of the most important components of recovery for people with mental illness. When people are working they are less likely to be using substances, involved in

corrections, or utilizing in-patient services.

Research shows they also benefit from better physical health, increased self-esteem, and access to social opportunities. The supported employment program helps CRT clients obtain and maintain competitive employment in their community. Evidence-based supported employment services are integrated within the overall mental health treatment in CRT and focus on consumer strengths, skills, and interests. In addition to providing employment supports to clients, supported employment specialists are well known to their community partners such as Vocational Rehabilitation, Vermont Association of Businesses, Industry, and Rehabilitation, the Department of Labor and Industry, Chambers of Commerce, Vermont Businesses for Social Responsibility, and local employers. Any CRT client who expresses the desire to work can receive employment services. For the past seven years, CRT clients with competitive employment in Vermont collectively earned nearly \$35 million in taxable wages.

CRT Annual Employment and Average Wages Earned					
Fiscal Year	Total # Served	Employed	Percent Employed	Total Wages	Average Wages
2004	3,004	849	28%	\$4,757,956	\$5,604
2005	2,977	844	28%	\$4,882,307	\$5,785
2006	2,943	826	28%	\$5,093,292	\$6,166
2007	2,971	803	27%	\$5,130,765	\$6,389
2008	2,928	768	26%	\$5,065,598	\$6,596
2009	2,850	678	24%	\$4,321,767	\$6,374
2010	2,736	550	20%	\$3,618,664	\$6,579

**CRT Client Stability in the Community**

The trend of CRT enrolled clients being admitted to VSH has remained extremely low with roughly only 3% of enrolled clients requiring VSH level of care on an annual basis. Roughly 97% of clients enrolled in the CRT Program receive their services in the community or at sites other than the Vermont State Hospital, showing that CRT services for seriously mentally ill individuals significantly decreases the need for the state’s most restrictive and highest cost level of psychiatric inpatient hospitalization. While the overall admission rate for CRT clients is low, the FY 10 utilization rate of VSH hospitalization for those individuals accounted for approximately 50% of the total admissions to VSH and in FY 10 accounted for 63% of the total hospital bed day utilization. So, while this is a relatively low number of individuals, their need for more structured and intensive treatment services, for longer periods of time, represents a disproportionate utilization of high end system resources.

<b>Patient Bed Days of CRT Enrollees to Vermont State Hospital Fiscal Years 2005 - 2010</b>			
Fiscal Year		Total VSH Patient Days	CRT Patient Days as a % of Total Patient Days
2010		16,995	63%
2009		17,059	57%
2008		16,618	52%
2007		20,047	54%
2006		18,712	61%
2005		18,945	67%

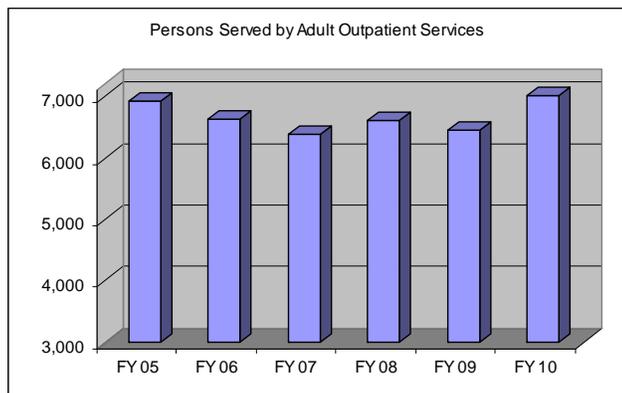
**Adult Outpatient**

The Adult Outpatient Program (AOP) provides services that vary from agency to agency, and delays in access have been identified as a frequent concern. Intake coordinators at each site work with individuals to triage resources to the most urgent needs. Services may include evaluation, individual, family and/or group counseling, medication prescription and monitoring. According to needs assessments and research on prevalence estimates of mental illness, the funding for adult outpatient programs in the designated agency system of care does not support the access to needs of all Vermonters who may need access to assessment or treatment, and should be considered to be part of a larger public and private need for better access to care for primary mental health needs.

An additional challenge to the capacity of the AOP’s is the priority population of individuals with severe functional impairments who are eligible for release from the Department of Corrections. These individuals often have complex needs that require significant investments in resources and staff time, further competing with the availability of services to the general public. People in AOP’s have a wide range of problems including having attempted suicide within the past year, or having thoughts they may do so. Alcohol and drug abuse is often an additional challenge to many persons in AOP services. Many also have histories of psychological trauma, with lingering impairments to their ability to cope with everyday living, or disabling depression which may pose challenges with such basic activities as eating, bathing, and dressing daily. Other common difficulties include maintaining a household, parenting, managing money, accessing community supports, and needing access to medication prescribing and supports.

During FY 11, under enacted Challenges for Change legislation, DMH has been engaged in an active service re-design process with DA providers and key stakeholders to implement alternative services for adults who are not

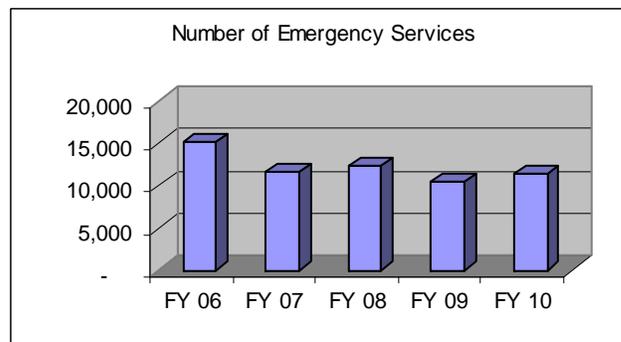
meeting existing service or program criteria and still have community mental health and support service needs. A report of findings and implementation priorities is in development and will be provided to the legislature this fiscal year.



**Emergency Services**

The program provides mental health emergency services twenty-four hours a day, seven days a week to individuals, organizations, and communities. Essential emergency services include telephone support, face-to-face assessment, referral, and consultation. By definition, emergency services respond quickly to avoid poor outcomes so that average response time is within 5 minutes by phone and within 30 minutes when face-to-face assessment is needed. The primary purpose of these crisis programs is to assess the immediate mental health situation and arrange for care as necessary.

Emergency Services Programs provide assistance to people who are in need of crisis services for emergent issues such as depression, suicidal thoughts, dangerous behaviors, family violence and symptoms of serious mental illness. Emergency Services Programs also serve communities, schools, or other organizations trying to cope with events such as suicide, natural disaster and other traumatic events.



**Mental Health Transformation Grant**

In FY 10, the DMH received a federal *Mental Health Transformation Grant* through the Substance Abuse and Mental Health Services Administration, Center for Mental Health Services. This grant will provide \$734,199 per year for five years to foster adoption and implementation of permanent transformative changes in how public mental health services are organized, managed and delivered so that they are consumer-driven, recovery-oriented and supported through evidence-based and best practices.

Under this grant, DMH will expand services for young adults (ages 18-34) with or at risk of serious mental illness who are not currently accessing Community Rehabilitation and Treatment services at their local designated community mental health agency. This population often “falls through the cracks” of our services systems because they are not eligible for CRT services and/or they choose not to access community mental health services. In some cases, these individuals have multiple interactions with law enforcement, homeless shelters, corrections, and hospital emergency rooms.

This initiative will create an effective early intervention system that delivers peer-based, evidence based interventions for this population. In partnership with consumer, family and professional stakeholders, the state will pilot the use of peer services to engage with this population and provide wellness-promotion, recovery self-management and supported

employment. Peers will also assist this population with accessing other services and supports in their community (e.g. psychiatric treatment, supported housing, economic services).

The grant will augment existing Adult Local Interagency Teams to create community steering committees for grant activities. These committees will include relevant community partners who may be interacting with this population and support collaboration between local peer service providers and other community partners to improve access to services. As peers engage with this population and achieve positive outcomes, the “lessons learned” from that process will be used by the local steering committees to improve how local programs provide welcoming and accessible services to this population. The grant will also develop a state interagency team to focus on the identification of state-level barriers to treatment and support of this population and strategies to address those barriers.

### **FUTURES**

The Futures Initiative during the last several years has undertaken the task of reconfiguring the existing 54-bed capacity at Vermont State Hospital into a new array of community and inpatient services.

The first phase of the project, developing community services, is nearing completion. An investment of just over eight million dollars has created the following new services with the Designated Agencies:

- Nine crisis beds in four communities to help divert inpatient admissions
- Twenty community residential recovery beds in two programs to replace the long term care role of Vermont State Hospital
- transportation services to provide alternatives to Sheriff transport
- housing subsidies state-wide to assure that people at VSH or at risk of

hospitalization have a safe and affordable home

- An alternative peer crisis program and a care management system to more efficiently coordinate care state-wide are continuing to move forward.

Over the last several years, Phase Two had been the development of the 15-bed Secure Residential Recovery program. In December, 2010 the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) approved the pending Certificate of Need which allows the development of the secure residential facility. In January, 2011, the incoming Administration questioned the efficacy of moving forward with this phase of development prior to creation of acute care replacement beds, and recommended suspending the current plans to build a 15-bed facility.

The Department, under direction of the new administration and the leadership of its new Commissioner plans to work with the area hospitals and the Brattleboro Retreat to finalize plans for partnerships and deliver to the new administration within six months both the treatment and financial implications of those partnerships. In the next few months, the administration will determine whether any of the partnerships are clinically and financially prudent, and determine the number of beds that could be provided from such partnerships.

It is anticipated that the budget proposal for Fiscal Year 2013 will include a plan to build a new state of the art State Hospital to meet Vermonters' needs for the next 50 years.

## CHILD, ADOLESCENT, AND FAMILY SERVICES

The Child, Adolescent, and Family Unit (CAFU) oversees a system that provides evidenced-based mental health services and supports to families so that children can live, learn, and grow up healthy in their family, school, and community. CAFU works closely with its network of DA's and one SSA to provide services that include prevention and early intervention, family supports, treatment, immediate response, acute care, and intensive residential placement.

In FY2010, Vermont's public mental health system served over 10,500 youth. As part of its on-going efforts to more effectively and efficiently support Vermont's families as they work to raise healthy children, the CAFU is pursuing the following five significant initiatives.

### 1. Trauma

Research has now demonstrated that experiencing severe and/or complex trauma alters the way the human brain processes information. In order to assure that young Vermonters in this situation receive effective treatment and support, CAFU applied for and was awarded a Substance Abuse and Mental Health Services Administration's (SAMHSA) Center for Mental Health Services grant for just under \$400,000 annually for up to 3 years. This award enables DMH to:

- ◆ join a new national network of grantees—the *National Child Traumatic Stress Network*.
- ◆ establish the *Vermont Child Trauma Collaborative* to implement and sustain the *Attachment, Self-Regulation and Competency (ARC) Framework* in Vermont's community mental health system.
- ◆ consult with The Trauma Center at the Justice Resource Institute in Massachusetts for the statewide dissemination of ARC

### 2. Youth Adults in Transition

Moving beyond the life of a high school student living at home or in a foster home in state custody, to that of an independent adult, presents significant and complex challenges to all adolescents. To those adolescents who also experience mental health issues, the challenges are even more difficult to meet. DMH applied for and was awarded a \$9 million, 6-year, competitive grant to help take the next steps. For this population, the necessary supports include access to health care, post-secondary education, employment, housing, and caring relationships with adults who nurture positive youth development. Three strategies used by all 12 regions include the following.

- ◆ Young adults will be empowered throughout the state to help design a young adult driven system of care.
- ◆ All agencies/departments serving young adults aged 16 – 23 will work together to create a young adult driven system of care.
- ◆ Mental health and substance abuse services will be designed for this young adult driven system of care.

### 3. Youth Suicide Prevention

While most youth in crisis don't attempt it, suicide remains the second leading cause of death for Vermont youth between the ages of 11 and 23. In most cases it is preventable – if adults know the warning signs and the steps they can take to get help for a young person. Working in collaboration with the Center for Health and Learning, CAFU was awarded a \$1.5 million grant from the SAMHSA. Its objectives include the following.

- ◆ Develop a public education program about mental health.
- ◆ Administer the evidenced-based Gatekeeper Program's *Lifelines* curriculum in selected schools.
- ◆ Establish protocols using the *Connect* curriculum for first responders, faith-based organizations, and primary care providers in selected communities.

#### 4. **Family Mental Health Model**

The DMH, the Vermont Children's Health Improvement Project (VCHIP), and the Department of Child Psychiatry at the University of Vermont (UVM) have been collaborating for 5 years to develop a collaborative vision of family mental health. This vision includes the following elements.

- ◆ Child Psychiatric Fellowship Program at UVM to train and retain child psychiatrists.
- ◆ A Family Mental Health Program that includes evidenced-based practices to provide mental health wellness, prevention, and treatment services.
- ◆ Universal use of the Achenbach System of Empirically Based Assessment (ASEBA) web-based standardized assessment for children and families.
- ◆ Co-location of mental health professionals in primary care offices.
- ◆ UVM Child Psychiatric Fellow working with DMH's child psychopharmacology workgroup on academic detailing.

#### 5. **ACCESS/IFBS**

The ACCESS program and the Intensive, Family-Based Services (IFBS) program have long been found to be successful in achieving favorable outcomes for children and families. Both programs are currently being updated by the DMH, the Department of Health's Alcohol and Drug Abuse Programs (ADAP), and the Department for Children and Families (DCF). We are developing program standards for these services and a sustainable funding mechanism. DMH anticipates purchasing more of these services statewide because of their effectiveness.

#### 6. **Enhanced Family Services (EFS):**

Beginning with passage of Vermont's Act 264 in 1988, DMH, DCF, AHS, and DOE have been partnering with parents of children and adolescents experiencing a severe emotional disturbance to support families

through a Coordinated Services Plan. In 2005, the AHS and the DOE signed an interagency agreement as part of federal legislative requirements under the reauthorization of the Individuals with Disabilities Education Act (IDEA). The scope of this interagency collaboration under Act 264 was extended to children and adolescents in all fourteen disability categories under state and federal special education law.

Now under the Enhanced Family Services (EFS) initiative, the goal is to re-examine and better coordinate the multiple funding streams in order to maximize the desired system and family.

#### 7. **Success Beyond Six (SBS):**

Vermont has been actively developing its partnerships between mental health, education, and students and their families under the Success Beyond Six (SBS) partnership since its official start in December 1992. In Success Beyond Six, school districts or supervisory unions contract with their region's community mental health center. Together they hire and supervise staff using 30% general funds from education to draw down 70% federal Medicaid funds through mental health. In FY2010, they hired 642 full time equivalent (FTE) staff to provide needed services to 3,767 students, primarily those eligible for Medicaid. The total program expenditure was \$34,278,638.

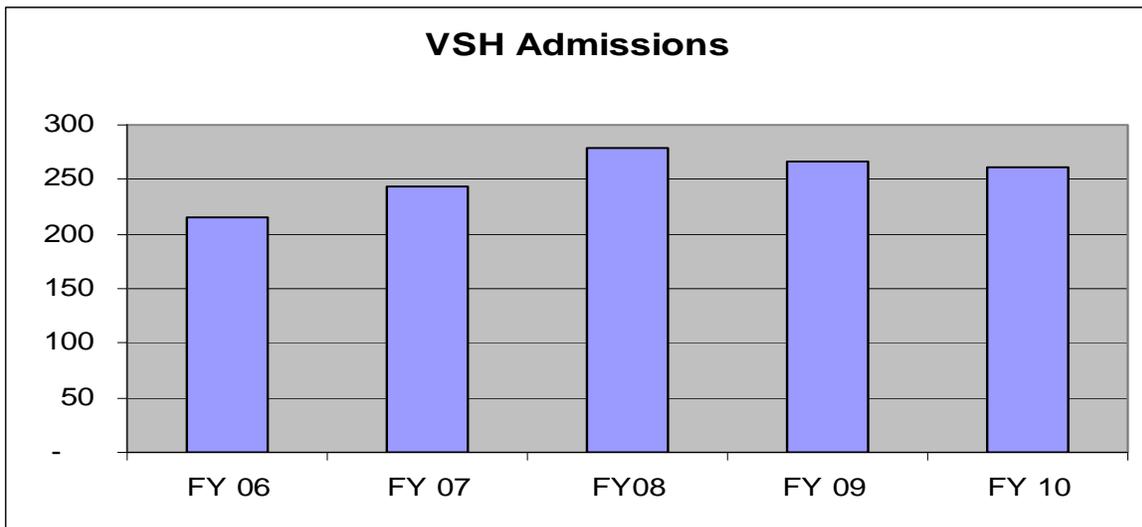
SBS now operates from a basic state-wide contract template with detailed local work requirements, provides state-wide training and skills guidelines for the position of Behavioral Interventionist, collects data on children served, and works to support the Department of Education's efforts to implement Positive Behavioral Supports (PBS, also known as PBIS), an education evidence-based practice.

## VERMONT STATE HOSPITAL & INPATIENT HOSPITALIZATION

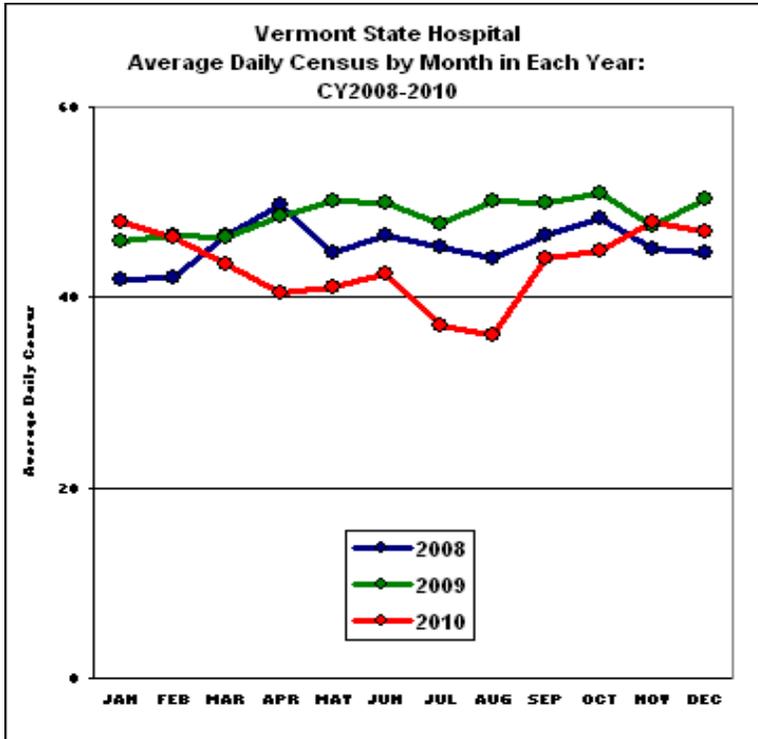
The Department of Mental Health, pursuant to 18 V.S.A. § 7205 operates the Vermont State Hospital (VSH). The Commissioner of the Department of Mental Health is statutorily responsible for the supervision of patients at VSH and patients receiving involuntary mental health treatment at the five designated hospitals throughout the state:

- Fletcher-Allen Health Care
- Central Vermont Medical Center
- Rutland Regional Medical Center
- Windham Center
- Brattleboro Retreat

VSH provides emergency examinations, forensic evaluations, and ongoing treatment for individuals whose mental health needs are beyond the community's capacities.



In fiscal year 2010 there were two hundred and seventy-six admissions to VSH. These admissions involved an unduplicated number of two hundred and sixteen patients. Patients are at immediate risk of harm to self or others, and their mental-health needs are so intensive that they cannot be safely served at a lower level of care. The most common diagnoses of individuals admitted to VSH are schizophrenia and other psychoses. Other diagnoses include affective, personality, and anxiety disorders. About half of the individuals admitted have co-occurring substance abuse problems, and many have chronic medical conditions as well. Almost all admissions are involuntary, meaning that people are compelled to go to VSH and are in the care and custody of the Commissioner. Approximately 30% of admissions to VSH are court-ordered psychiatric evaluations in forensic (criminal) cases. In fiscal year 2010, 45% of all the VSH admissions were first time admissions, 25% of the patients were aged 50 and over, and 58% were men.



Calendar Year	Total Bed Days	Average Daily Census
1999	19,210	53
2000	19,377	53
2001	19,546	54
2002	20,105	55
2003	18,679	51
2004	18,870	52
2005	18,646	51
2006	19,715	54
2007	18,122	50
2008	16,623	45
2009	17,792	49
2010	15,776	43

## TREATMENT SERVICES

### VSH provides standard inpatient psychiatric care services including:

- ❖ Psychiatry
- ❖ Nursing
- ❖ Social Work
- ❖ Psychosocial Rehabilitation
- ❖ Psychology
- ❖ Neurology
- ❖ Physical Therapy
- ❖ General Internal Medicine
- ❖ Dietary Services
- ❖ Substance Abuse
- ❖ Volunteer Services
- ❖ Staff Education and Training

### Specific Clinical / Environment of Care Improvements

- Substance Abuse & Mental Health Services Administration (SAMHSA) funded a three year State Incentive Grant to reduce the use of seclusion and restraint in an inpatient setting. The grant's primary focus is the utilization of six Core Strategies to reduce emergency involuntary procedures at the Vermont State Hospital and the Brattleboro Retreat. Consumer, family members and advocates meet with facility staff members at both sites to review and provide input into each of the facilities' plans. A SAMSHA site visit was completed yielding a positive report and continuation of grant funds.

- Graham-Meus, a national expert in psychiatric hospitals, performed an environment of care annual review of all VSH clinical areas. All safety recommendations have been implemented.
- VSH Treatment Mall continues to expand the services provided to patients
- Quality Report linked from Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) website to VSH website in full compliance with Act 53

### **Regulatory Readiness**

#### **Joint Commission:**

- Submitted a self-evaluation of all Joint Commission Standards. Evaluation accepted by Joint Commission with no recommendations for change. Fully Accredited by Joint Commission through 2011.

#### **CMS:**

- Application for survey has been submitted
- Anticipate survey in 2011

#### **Board of Health:**

- Fully licensed by the Board of Health

#### **Department of Justice:**

Scores have consistently improved in all areas between 2006 -2010. Quote from DOJ Letter to VSH, "We acknowledge the sustained efforts of the staff of VSH in working towards meeting the requirements of the Settlement Agreement. Progress has been significant since our last visit and VSH is in compliance with a substantial percentage of items and those items that are in significant compliance (none are lower) should be able to be successfully addressed in a timely manner with resources already in VSH's possession."

**DEPARTMENT OF MENTAL HEALTH  
FY 2012 Governor's Request**

**Summary of Changes: Mental Health**

- Health Insurance premium - \$34,507

Health insurance premiums went up by an average of 6.5%

- Additional funding associated with 3% salary reduction – (\$77,013)
- Additional funding associated with fy11 retirement rate reduction – (\$12,686)
- Fy 12 retirement rate increase – \$53,380

Retirement rates increase by 12.8% from the new fy11 rates.

- Workman's Comp increase - \$2,362
- New - Mental Health Transformation grant (also in grants)- \$734,199

This grant will provide \$734,199 per year for five years to foster adoption and implementation of permanent transformative changes in how public mental health services are organized, managed and delivered so that they are consumer-driven, recovery-oriented and supported through evidence-based and best practices.

- Internal Service Fund, DII and VISION – \$125,529
- Internal Service Fund, HR Services – \$84,369
- Internal Service Fund, Fee for Space – \$3,180
- Commercial, General, and Auto liability Insurances- \$1,762
- ARRA impact on Success Beyond Six base funding - (\$2,041,121)

This amount represents the reduction in gross funding for Success Beyond Six services due to the change in the match rate post ARRA (from 30.61% to 32.52%).

- Success Beyond Six - \$5,203,508

Overall program growth for the SBS program is anticipated to be approximately \$3M more than the fy11 base appropriation (net of the ARRA adjustment). Match is paid for by the local schools.

- Challenge for Change allocation change, AHS neutral - \$147,134

The Designated Agency Challenge for Change reduction was booked incorrectly in the base appropriation. This is a technical adjustment - offsetting adjustments are in VDH and DAIL (AHS GF neutral).

- Transfer of GC funding for Children's Upstream Program (CUPS), to DCF, AHS net neutral – (\$1,824,825)

The Department of Children and Families will begin a full year of the Children's Integrated Services program, which was piloted in three areas in FY11. This pilot provides a bundled payment, through DCF, for the Healthy Babies, Kids, and Families (HBKF), Family Infant and Toddler (FITP), and Children's Upstream (CUPS) programs.

- Transfer of GC funding back from DAIL for DS Waiver collaborations, AHS net neutral - \$206,241

This is a reduction, based on utilization, in the MH share, of the DS Waivers.

- Reduction in DAIL collaborations - (\$49,867)

This is a 9% reduction to the DAIL funded share of the Eldercare, \$34,593, and JOBS (Jump On Board for Success), \$15,274, programs.

The Elder Care Clinician Program provides mental health outreach, screening, assessment, counseling and medication monitoring to help older adults who experience mental health concerns such as depression, anxiety, and substance abuse. Overall program funding is approximately \$466,000 (GC and GF). The impact of this reduction on people receiving services will be minimal. The agencies providing these services will receive reduced revenues (approximately \$3,000 per service area).

The JOBS programs provide employment services and intensive case management services for youth with severe emotional/behavioral disabilities in 14 sites statewide. Youth served by the program are at high risk for involvement with corrections, drug and alcohol abuse and other negative outcomes. JOBS programs engage youth through employment and have been demonstrated to reduce negative outcomes for this population. A \$15,275 reduction in Global Commitment funding represents approximately a 1.5% reduction in total funding. While this is probably not going to result in a significant loss of services, it is important to note that most of these programs are already receiving in-kind supports from the Designated Agencies.

- Inpatient rate increase, transfer from DVHA, AHS net neutral – \$285,127

DVHA was appropriated funds in FY11 for hospital rate increases. This is the anticipated impact on the CRT inpatient hospital expense.

- Technical Funding Adjustment - (\$137,304)

This is a modification to the base appropriation to accurately reflect the funding of mental health expenses, specifically adjusting for CHIP (Children's Health Improvement Program), which is at an enhanced federal participation rate and not part of the Global Commitment waiver. In the past three years a year end GC adjustment was necessary.

- 5% reduction to Designated Agencies - (\$3,282,375)

The FY 12 budget recognizes that health care costs—including mental health—are not sustainable and require structural reform of our entire health care system. Cuts in health care services in this budget reflect that reality. Hospitals and Designated Agencies represent a significant part of our health care system. The 5% reductions will mean the loss of some services to eligible Vermonters. The Administration is already working with the Designated Agencies to soften the blow, look for more savings and seek other funding sources such as Health Information Technology money. In addition, the Agency Secretary is committed to looking at all sources of funding for mental health and disability services and look for structural changes that will make those services more efficient.

- Children's Out of Home placements - (\$531,561)

This reduction will be combined with the Children's share of the 5% system-wide, for a total of just over \$1.5M, as part of the Agency of Human Service's Integrated Family Service effort. This reduction will be achieved by reducing intensive out-of-home lengths of stay and moving children from intensive out-of-home (residential and other models) to an enhanced in-home support model of care for them and their families.

**DEPARTMENT OF MENTAL HEALTH  
FY 2012 Governor's Request**

**Summary of Changes: Vermont State Hospital**

**Personal Services and Operating Expenses:**

- Health Insurance premium - \$100,397

Health insurance premiums went up by an average of 6.5%

- Salary and Fringe Reduction, chronic vacancy - (\$301,296)

The Vermont State Hospital has had on-going difficulties in filling it's nursing positions. The services, however, are necessary and are provided through a traveling nurses contract. This reductions eliminates 4 nursing positions and moves the funding to the contract line where it is actually spent.

- Increase in Nursing contracts due to chronic vacancy - \$301,296

- Early Retirement, reduction of one time need - (\$24,221)

There will not be any early retirement incentives in FY12, and this eliminates the line item from the base appropriation.

- Workman's Comp decrease - (\$1,943)

- On-Call Doc contract savings – (\$16,444)

The on-call psychiatric need is filled by physicians on contract and also by residents as part of their rotation (which we don't pay for). The budget is based on an estimated mix of these two. Based on the past three years experience, we are reducing this line item to reflect the actual trend.

- Other Contract savings – (\$3,923)

Recruitment cost for the FAHC contract have been reduced by just under \$4,000 annually.

- Fy 12 retirement rate increase – \$188,951

Retirement rates increase by 12.8% from the new fy11 rates.

- Laundry contract reduction - (\$30,138)

For the past several years the VSH has had only one company bid on this contract. For the last bid request, we received an additional bid, which was considerably lower than the laundry company we had been using.

- Pharmaceutical savings - (\$16,423)

We examined prescription practices at the VSH when patients were being discharged and determined that physicians were ordering several weeks supply of medications from the State Hospital's pharmacy. As a practice improvement initiative we asked physicians to provide enough medications at discharge for patients until such time as patients could get medications through their primary care provider at their local pharmacies.

- Copier rental savings - (\$19,219)
- Eliminate MCO Investment balance - (\$695)

In FY09 the VSH was appropriated \$450k to begin the process of developing an EHR. All but this amount was eliminated during the FY10 rescission and the FY11 build due to delayed start up. This reduction brings that line to zero.

- Internal Service Fund, Fee for Space – \$38,812
- Commercial, General, and Auto liability Insurances- (\$57,963)
- Recertification of the Vermont State Hospital

The Vermont State Hospital application for certification has been submitted. Notice of survey readiness is expected to be sent out in April. Following a typical CMS timeline, VSH could expect to have the notice of certification as early as the end of September, 2011.

**Vermont Department of Mental Health Quick Facts**  
**February 2011**

It is the mission of the Vermont Department of Mental Health to promote and improve the mental health of Vermonters.

By statute, DMH is mandated to:

- Coordinate efforts of all agencies and services, government or private, on a statewide basis in order to promote and improve the mental health of Vermonters through outreach, education and other activities
- Integrate and coordinate mental health programs and services with other programs and services provided to ensure a flexible comprehensive service to all citizens of the state
- Operate the Vermont State Hospital

The total DMH budget is \$152 million, \$123 million which is funded by Medicaid through the Global Commitment, meaning that 60% of the \$123 million is federally funded.

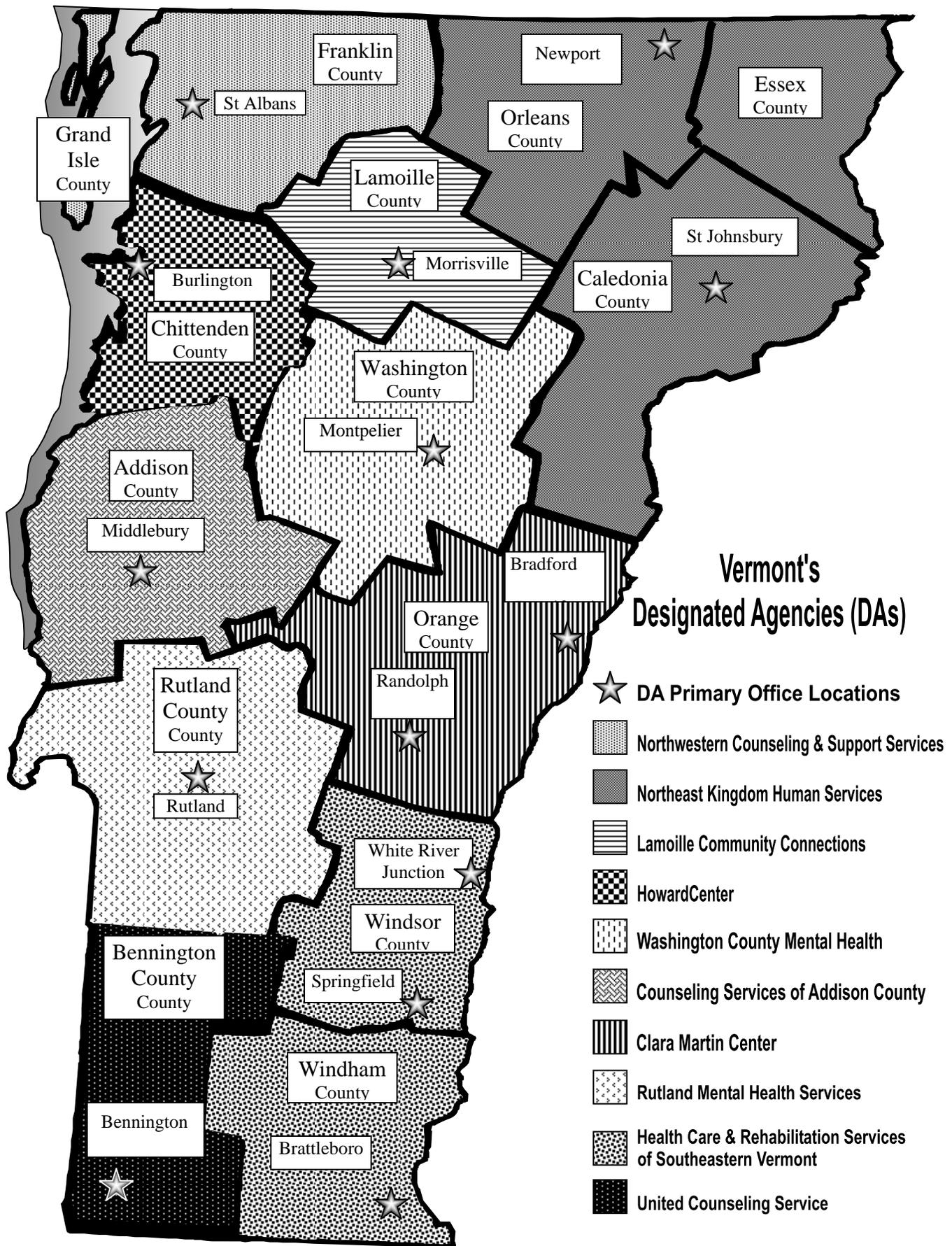
DMH contracts with and formally designates 11 community mental health care providers (often called Designated Agencies (DAs) or Specialized Services Agencies) for the provision of mental health services.

- DAs are located throughout the state and are responsible for serving a specified geographic area.
- DAs are required to serve adults with severe and persistent mental illness and children with serious emotional disturbance.
- DAs employ nearly 2,000 full time equivalent staff and serve over 26,000 Vermonters annually.

DMH has designated five community hospitals to provide involuntary psychiatric inpatient treatment to adults. The Brattleboro Retreat is the only designated hospital that serves children.

DMH operates the Vermont State Hospital. The Vermont State Hospital is Vermont's most intensive and restrictive psychiatric inpatient program.

DMH collects, coordinates and analyzes clinical and financial data pertaining to the mental health system. This data collection and analysis is continually used to improve the quality and cost effectiveness of the mental health delivery system.



FY12 Department Request - DMH

	GF	SF	Tob	State Health Care Res	IdptT	Ptrust	Internal Service	FF	ARRA Fed	Catamnt	Medicaid GCF	Invmnt GCF	TOTAL
<b>DMH Mental Health - As Passed FY11</b>	<b>792,412</b>	<b>6,836</b>			<b>20,000</b>			<b>5,821,829</b>			<b>118,265,719</b>	<b>9,673,842</b>	<b>134,580,638</b>
<b>C4C &amp; Others:</b>													<b>0</b>
3 percent salary reduction	(387)												(387)
retirement rate & base reduction	(64)												(64)
DA Challenge: 2% reduction											(1,339,744)		(1,339,744)
DA Challenge: Allow "deemed" status for accredited DAs											(50,000)		(50,000)
DA Integrate substance abuse & mental health svcs											(194,393)		(194,393)
Other DA savings - to be assigned											(388,842)		(388,842)
DA Challenge: Bulk purchasing options for DAs/SSAs											(10,504)		(10,504)
IFS Administration											(562,065)		(562,065)
DA Challenge: Reduce documentation & paperwork per PHPG rec											(304,191)		(304,191)
DA Challenge: Continue implementation of Dartmouth V.E. model											(250,000)		(250,000)
IFS Challenge: reduce out of home placement across DMH and DCF (DMH Share)											(759,900)		(759,900)
DA Challenge: Integrate DA psychiatry & beh health svcs into FQHCs											(200,000)		(200,000)
C4C – Non-AHS – Performance Contracting	(110,605)												(110,605)
C4C – Non-AHS – Charter Unit BGS Svcs	(2,094)												(2,094)
													<b>0</b>
<b>Total C4C &amp; Others</b>	<b>(113,150)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,059,639)</b>	<b>0</b>	<b>(4,172,789)</b>
<b>Total After FY11 C4C &amp; Other</b>	<b>679,262</b>	<b>6,836</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>5,821,829</b>	<b>0</b>	<b>0</b>	<b>114,206,080</b>	<b>9,673,842</b>	<b>130,407,849</b>
<b>FY11 After C4C &amp; Other</b>													
<b>Personal Services:</b>													<b>0</b>
													<b>0</b>
Health insurance premium	1,415							483			29,503	3,106	<b>34,507</b>
Add'l funding reduction associated with 3% sal/fr red								(5,403)			(65,132)	(6,478)	<b>(77,013)</b>
Add'l funding reduction associated with retirement red								(843)			(10,772)	(1,071)	<b>(12,686)</b>
Retirement rate increase	269							3,543			45,066	4,502	<b>53,380</b>
MH Transformation Grants								192,718					<b>192,718</b>
Workers Comp	517							24			1,764	47	<b>2,352</b>
													<b>0</b>
													<b>0</b>

FY12 Department Request - DMH

	GF	SF	Tob	State Health Care Res	IdptT	Ptrust	Internal Service	FF	ARRA Fed	Catamnt	Medicaid GCF	Invmnt GCF	TOTAL
<b>DMH-Mental Health - Continued</b>													
<b>Operating Expenses:</b>													<b>0</b>
MH Transformation Grants								40,916					<b>40,916</b>
Internal Service Fund - DII	34,231							1,556			116,696	3,111	<b>155,594</b>
Internal Service Fund - VISION	(24,047)							(310)			(5,251)	(457)	<b>(30,065)</b>
Internal Service Fund - HR Services	18,561							844			63,277	1,687	<b>84,369</b>
Internal Service Fund - FFS	700							31			2,385	64	<b>3,180</b>
General Liability	413							19			1,409	38	<b>1,879</b>
Auto Liability	(41)							(2)			(140)	(4)	<b>(187)</b>
Commercial Policy	15							1			53	1	<b>70</b>
<b>Grants:</b>													<b>0</b>
													<b>0</b>
ARRA extension - reduce Success Beyond Six expenses due to lower federal share vs budgeted - no AHS GF impact											(2,041,121)		<b>(2,041,121)</b>
Increase in Success Beyond Six program (locally matched) - no AHS GF impact											5,203,508		<b>5,203,508</b>
DA C4C final adjustments - AHS neutral											413,396	(266,262)	<b>147,134</b>
DMH to DCF - CUPS - AHS neutral											(1,824,825)		<b>(1,824,825)</b>
DAIL to DMH - AHS neutral											206,241		<b>206,241</b>
DAIL collaborations											(49,867)		<b>(49,867)</b>
Inpatient Rate funding from DVHA to DMH - AHS net neutral											285,127		<b>285,127</b>
MH Transformation Grants								500,565					<b>500,565</b>
Technical Correction - Funding Adjustment	100,000											(237,304)	<b>(137,304)</b>
5% reduction in funding to the designated agencies											(2,921,314)	(361,061)	<b>(3,282,375)</b>
Children's out of home placements - IFS savings 20%											(467,774)	(63,787)	<b>(531,561)</b>
<b>FY12 Changes</b>	<b>132,033</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>734,142</b>	<b>0</b>	<b>0</b>	<b>(1,017,771)</b>	<b>(923,868)</b>	<b>(1,075,464)</b>
<b>FY12 Gov Recommended</b>	<b>811,295</b>	<b>6,836</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>6,555,971</b>	<b>0</b>	<b>0</b>	<b>113,188,309</b>	<b>8,749,974</b>	<b>129,332,385</b>
<b>FY12 Legislative Changes</b>													<b>0</b>
<b>FY12 As Passed - Dept ID 3150070000</b>	<b>811,295</b>	<b>6,836</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>6,555,971</b>	<b>0</b>	<b>0</b>	<b>113,188,309</b>	<b>8,749,974</b>	<b>129,332,385</b>

FY12 Department Request - DMH

	GF	SF	Tob	State Health Care Res	IdptT	Ptrust	Internal Service	FF	ARRA Fed	Catamnt	Medicaid GCF	Invmnt GCF	TOTAL
<b>DMH - Vermont State Hospital - As Passed FY11</b>	22,687,045	50,000			300,000			213,564				1,200	23,251,809
<b>C4C &amp; Others:</b>													0
3 percent salary reduction	(338,942)												(338,942)
retirement rate & base reduction	(44,986)												(44,986)
Forensic evaluation	(200,000)												(200,000)
C4C – Non-AHS – Performance Contracting	(206,335)												(206,335)
C4C – Non-AHS – Charter Unit BGS Svcs	(902)												(902)
													0
<b>Total C4C &amp; Others</b>	<b>(791,165)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(791,165)</b>
<b>Total After FY11 C4C &amp; Other</b>	<b>21,895,880</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>213,564</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>	<b>22,460,644</b>
<b>FY11 After C4C &amp; Other</b>													0
<b>Personal Services:</b>													0
health insurance premium increase	100,397												100,397
salary & fringe down - chronic vacant positions (4) - salary net neutral	(209,845)												(209,845)
salary & fringe down - chronic vacant positions (4) - retire	(33,240)												(33,240)
salary & fringe down - chronic vacant positions (4) - fica	(15,283)												(15,283)
salary & fringe down - chronic vacant positions (4) - health	(40,225)												(40,225)
salary & fringe down - chronic vacant positions (4) - dental	(2,437)												(2,437)
salary & fringe down - chronic vacant positions (4) - life	(154)												(154)
salary & fringe down - chronic vacant positions (4) - eap	(112)												(112)
personal services contracts up - nurse temps - department neutral	301,296												301,296
6 months of Medicaid certification	(5,038,204)	785,486									4,252,718		0
Early Retirement Incentive - One Time FY11 increase	(24,221)												(24,221)
Workers Comp	(1,943)												(1,943)
Contractor on payroll savings	(16,444)												(16,444)
Other contract savings	(3,923)												(3,923)
Retirement rate increase	188,951												188,951
<b>Operating Expenses:</b>													0
Reduce laundry contract	(30,138)												(30,138)
Drug policy change	(16,423)												(16,423)
Copier rental savings	(19,219)												(19,219)
Eliminate MCO investment - IT	505											(1,200)	(695)
Internal Service Fund - FFS	38,812												38,812
General Liability	(53,280)												(53,280)
Auto Liability	182												182
Commercial Policy	(4,865)												(4,865)
													0
<b>FY12 Changes</b>	<b>(4,879,813)</b>	<b>785,486</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,252,718</b>	<b>(1,200)</b>	<b>157,191</b>
<b>FY12 Gov Recommended</b>	<b>17,016,067</b>	<b>835,486</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>213,564</b>	<b>0</b>	<b>0</b>	<b>4,252,718</b>	<b>0</b>	<b>22,617,835</b>
<b>FY12 Legislative Changes</b>													0
<b>FY12 As Passed - Dept ID 3150080000</b>	<b>17,016,067</b>	<b>835,486</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>213,564</b>	<b>0</b>	<b>0</b>	<b>4,252,718</b>	<b>0</b>	<b>22,617,835</b>
<b>TOTAL FY11 DMH Big Bill As Passed</b>	<b>23,479,457</b>	<b>56,836</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>0</b>	<b>0</b>	<b>6,035,393</b>	<b>0</b>	<b>0</b>	<b>118,265,719</b>	<b>9,675,042</b>	<b>157,832,447</b>
<b>TOTAL FY11 DMH Reduction/C4C &amp; Other Changes</b>	<b>(904,315)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,059,639)</b>	<b>0</b>	<b>(4,963,954)</b>
<b>TOTAL FY12 DMH Starting Point</b>	<b>22,575,142</b>	<b>56,836</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>0</b>	<b>0</b>	<b>6,035,393</b>	<b>0</b>	<b>0</b>	<b>114,206,080</b>	<b>9,675,042</b>	<b>152,868,493</b>
<b>TOTAL FY12 DMH ups &amp; downs</b>	<b>(4,747,780)</b>	<b>785,486</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>734,142</b>	<b>0</b>	<b>0</b>	<b>3,234,947</b>	<b>(925,068)</b>	<b>(918,273)</b>
<b>TOTAL FY12 DMH Gov Recommended</b>	<b>17,827,362</b>	<b>842,322</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>0</b>	<b>0</b>	<b>6,769,535</b>	<b>0</b>	<b>0</b>	<b>117,441,027</b>	<b>8,749,974</b>	<b>151,950,220</b>
<b>TOTAL FY12 DMH Legislative Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FY12 DMH As Passed</b>	<b>17,827,362</b>	<b>842,322</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>0</b>	<b>0</b>	<b>6,769,535</b>	<b>0</b>	<b>0</b>	<b>117,441,027</b>	<b>8,749,974</b>	<b>151,950,220</b>