

Joint Fiscal Committee

September 14, 2017

Commissioner Hutt, Department of Developmental, Aging and Independent Living

Commissioner Bailey, Department of Mental Health

Sarah Clark, Chief Financial Officer, Agency of Human Services

Act 85 of the 2017 Legislative session appropriated \$8.37M gross for increased payments to the Designated and Specialized Service Agencies (DAs and SSAs) to fund the costs of increasing the hourly wages of workers to \$14 per hour and to increase the salaries of crisis response and crisis bed personnel. The appropriation was split between the Department of Mental Health (\$5.91M) and Department of Disabilities, Aging and Independent Living (\$2.46M). The increases were implemented in the manner detailed below.

The DAIL (Developmental Services) and DMH allocations were based upon an initial analysis provided to the Legislature by Vermont Care Partners. The Appropriations in Act 85 were based on this analysis. Though the total identified need remained consistent, upon further analysis by the DAs/SSAs, amounts shifted between DS and MH from original estimates. However, due to appropriation level constraints, the initial allocations stand. Financial exhibits for FY18 Master Grants have been finalized to include the funding allocated in the FY18 Appropriations Act.

The effective date of the increase will be retro to July 1, 2017.

The rate increases reflect the following methodologies:

- The DS/SSAs will be provided funding based on their stated need;
- The DS/DA allocation will be to the degree possible given the remaining DS appropriation;
- The MH/DA allocation will be an increase of 6.5% to the Medicaid fee-for-service rates.

The attached spreadsheet details the funding received by each DA and SSA.

FY 18 Final DA/SSA Increase Allocations

	GMC	CSAC	HCRS	H/C	LCMH	NKHS	NCSS	RMHS	UCS	WCMH	NFI	Pathways	UVS	SCC	LSI	CCS	GMSS	FF	Total
FY 18 MH Medicaid Allocation Increases	345,949	392,288	663,926	1,307,761	488,851	512,796	482,805	305,189	253,787	969,878	123,123	64,221	-	-	-	-	-	-	5,910,574
FY 18 DS Allocation Increases	-	71,212	168,618	202,401	64,685	238,584	147,087	237,994	188,092	110,708	-	-	206,721	297,262	37,184	135,911	106,556	253,409	2,466,424
Total Allocation	345,949	463,500	832,544	1,510,162	553,536	751,380	629,892	543,183	441,879	1,080,586	123,123	64,221	206,721	297,262	37,184	135,911	106,556	253,409	8,376,998

MH Medicaid Rate Increase - 6.5%