



VERMONT  
CARE  
PARTNERS

# Designated Agency (DA) & Specialized Service Agency (SSA) Financial Assessment

December 6, 2019

*Presenters: Heidi Hall, Chief Financial Officer, Washington County Mental Health, Inc.;*  
*Sandy McGuire, MBA, Chief Financial and Operations Officer, Howard Center, Inc.*

# DESIGNATED AGENCIES AND SPECIALIZED SERVICE AGENCIES

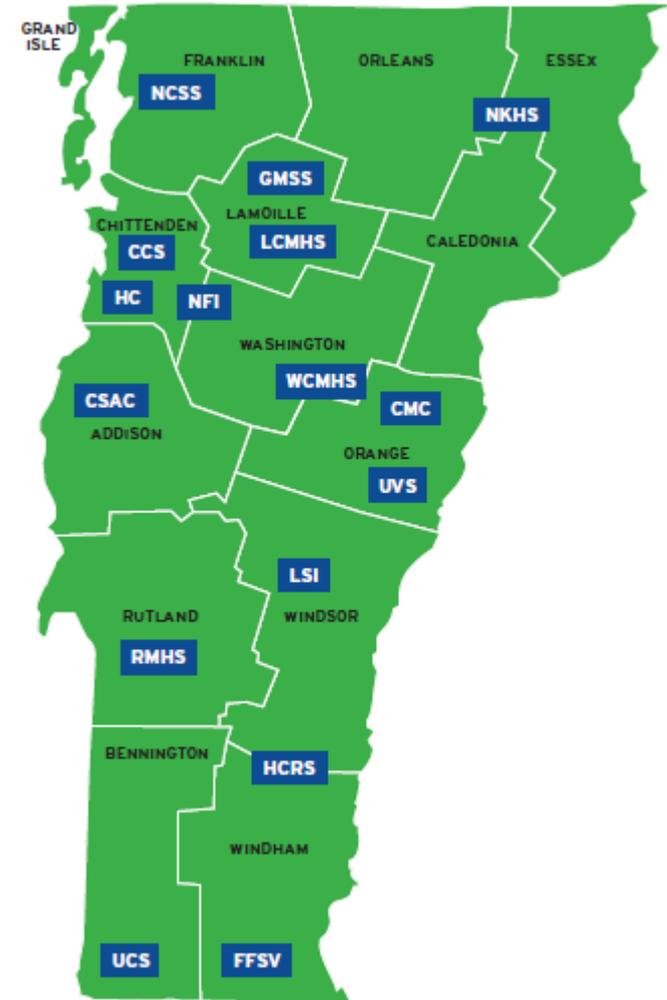
**Designated Agency:** A public or private nonprofit designated by the Commissioners of the Departments of Mental Health (DMH) and Disabilities, Aging, and Independent Living (DAIL) to “plan, develop, and provide . . . community mental health or developmental disability services” to Vermonters. 18 V.S.A. § 8907(b). DMH and DAIL are directed by law to ensure that such services are available to Vermonters who need them, id. § 8907(a). They fulfill that charge through a statewide network of DAs. Additionally, DA’s respond to an array of additional community need outside of this scope including work as SUD Preferred Providers and operating therapeutic Independent Schools.

**Specialized Service Agency:** Specialized Service Agencies are contracted by DAIL or DMH and provide a distinctive approach to service delivery and coordination or provide services that meet distinctive individual needs.



# A STATEWIDE SYSTEM OF CARE IN VERMONT DESIGNATED AND SPECIALIZED SERVICE AGENCIES

Region	Designated Agency	Specialized Service Agency
Addison County	Counseling Service of Addison County	
Bennington County	United Counseling Service, Inc.	
Caledonia County	Northeast Kingdom Human Services, Inc.	
Chittenden County	HowardCenter, Inc.	Champlain Community Services (DS); Northeast Family Institute (MH Youth)
Essex County	Northeast Kingdom Human Services, Inc.	
Franklin County	Northwestern Counseling and Support Services, Inc.	
Grand Isle County	Northwestern Counseling and Support Services, Inc.	
Lamoille County	Lamoille County Mental Health	Green Mountain Support Services (DS)
Orange County	Clara Martin Center (MH); Upper Valley Services, Inc. (DS)	
Orleans County	Northeast Kingdom Human Services, Inc.	
Rutland County	Rutland Mental Health Services, Inc.	
Washington County	Washington County Mental Health Services, Inc.	
Windham County	Health Care and Rehabilitation Services of Southeastern Vermont	Families First (DS)
Windsor County	Health Care and Rehabilitation Services of Southeastern Vermont	Lincoln St. Inc. (DS)

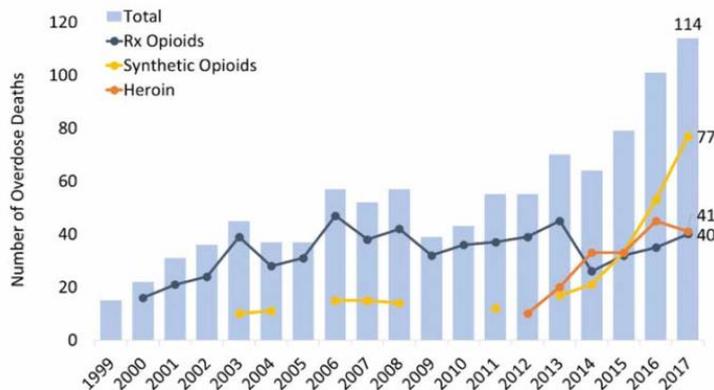


# Vermont Statistics

- DAs and SSAs serve over 35,000 clients, and provide services to thousands of additional individuals, annually.
- Service need continues to grow despite a shrinking and aging statewide population.

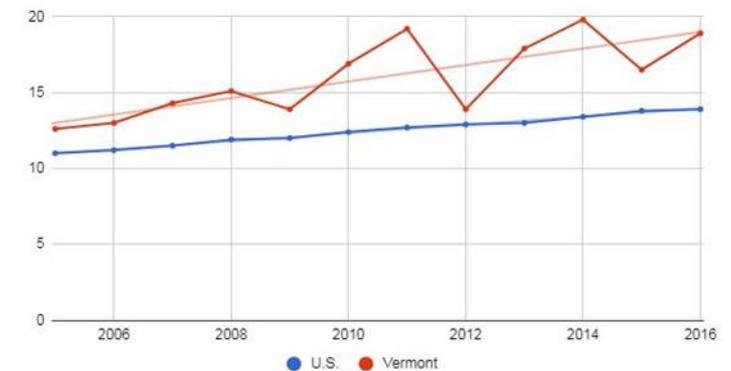
## ↑ Overdose deaths involving opioids in Vermont.

Source: CDC WONDER.



## ↑ Above average Suicide, SUD, and Depression Rates

Vermont and U.S. Suicide Death Rates (per 100,000 people)



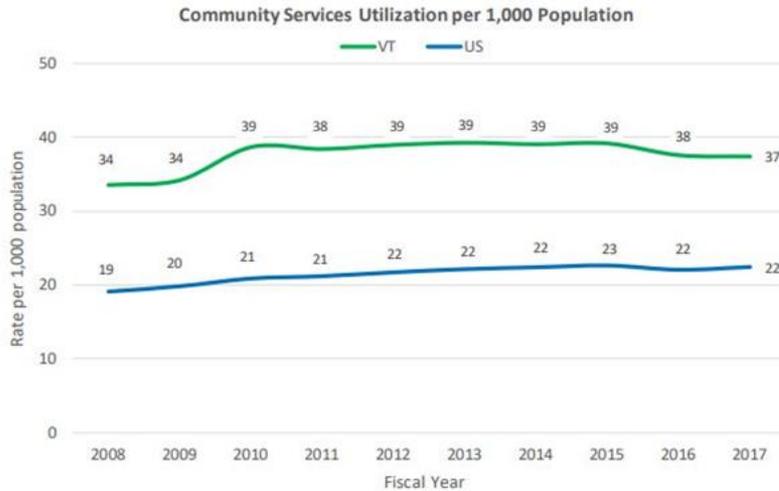
Source: <https://vtdigger.org/2018/06/10/vermont-suicide-rates-far-outpace-nations/>

# Vermont Statistics



## Utilization Rates of Community Services

Chart 24: Community Utilization per 1,000 Populations

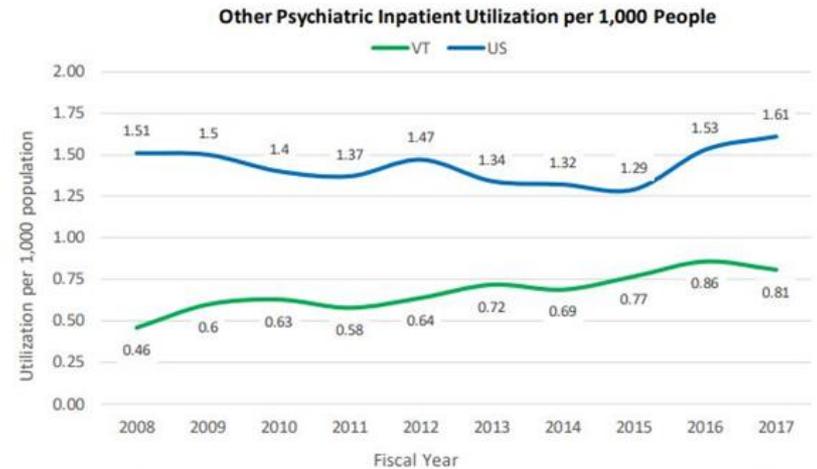


Based on URS data provided by US States and Territories per annual reporting guidelines for fiscal years 2008 - 2017.



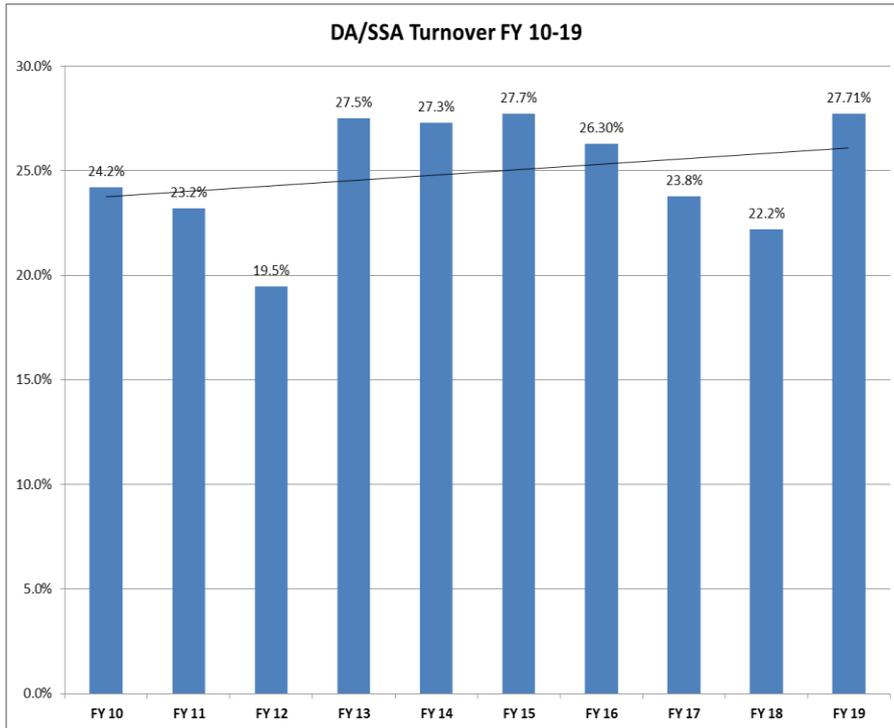
## Utilization Rates for Inpatient Care

Chart 4: Other Psychiatric Hospital Utilization per 1,000 people (in Vermont and the United States)



Based on URS data provided by US States and Territories per annual reporting guidelines for fiscal years 2008 - 2017.

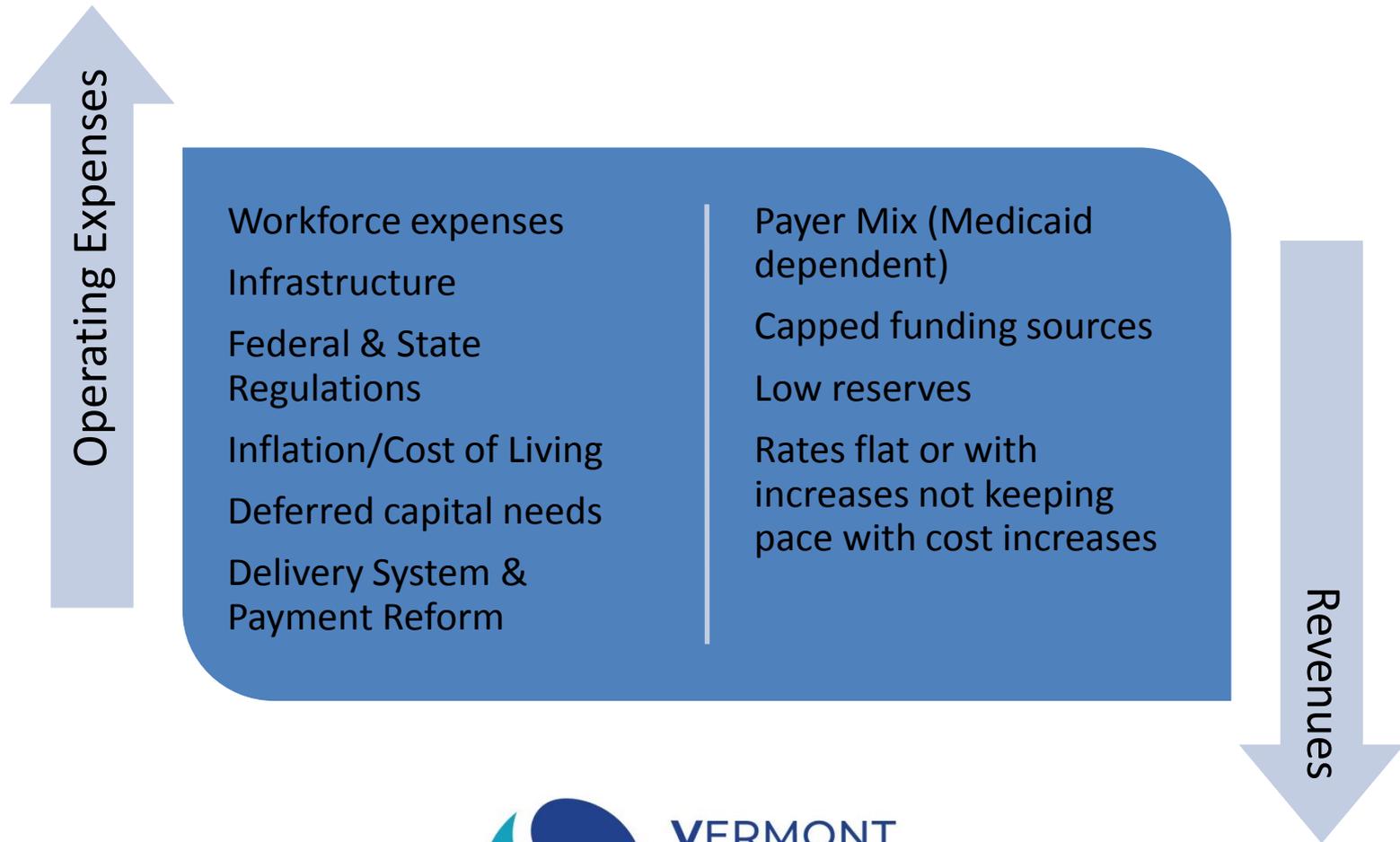
# Workforce



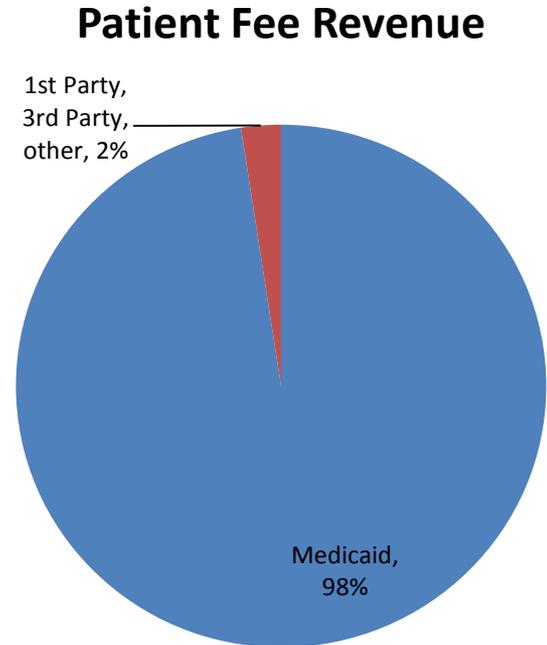
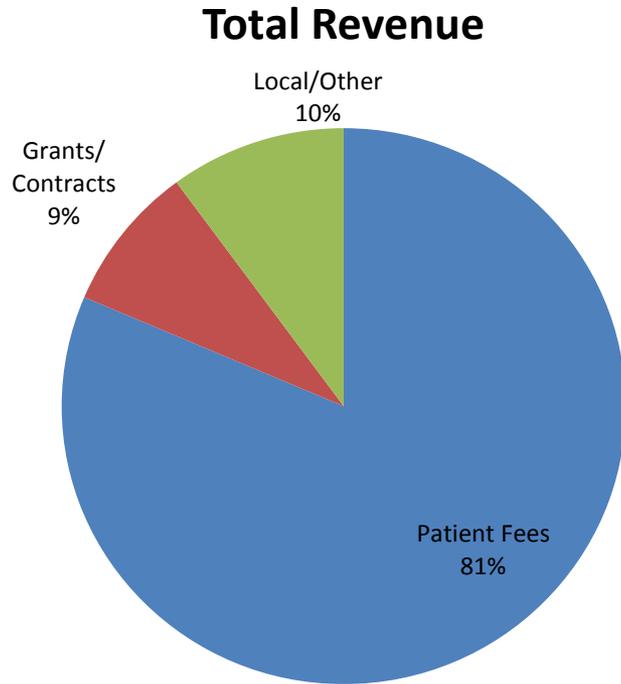
- Over 400 positions in the system are vacant at any given time.
- 2 out of 10 masters level licensed clinician positions are vacant.
- Compensation levels of staff are significantly below that of state employees, school and health care professionals in comparable positions compounding recruitment and retention challenges.

# Financial Sustainability: Problem Statement

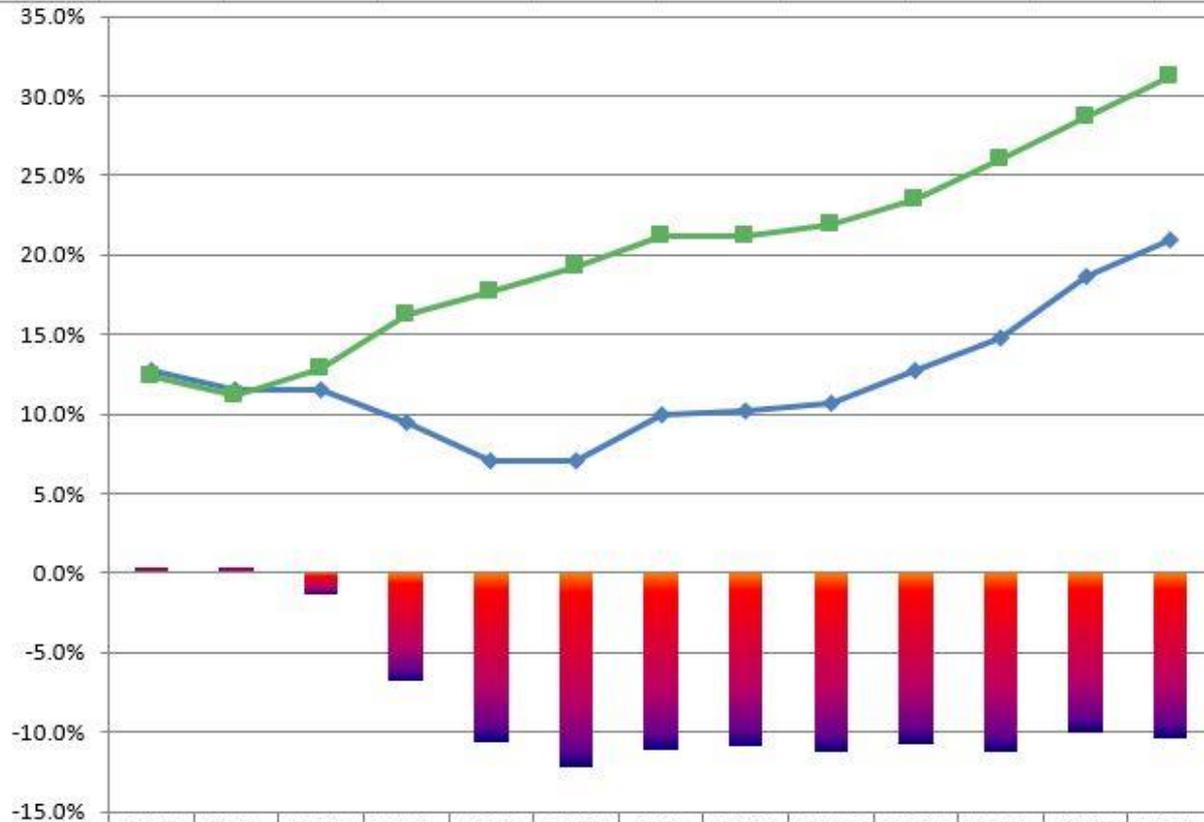
Operating expense increases are outpacing revenue increases



# FY19 DA/SSA Payer Mix



# CPI vs. MH/DS Rate Increases



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%

# DA Financial Assessment

- There are currently multiple state departments with individual responsibilities, some overlapping, overseeing and monitoring various pieces of Designated Agency financial performance arguably creating redundancy and inefficiencies for the state and providers. There is currently no single entity responsible for comprehensively assessing Designated Agency operating performance on an individual entity level or as a system.
- Act 54 of 2015 required the Green Mountain Care Board to analyze the budget and Medicaid rates of at least one designated agency (DA) using criteria similar to those used in the Board's annual review of hospital budgets . Report concluded ***“our analysis revealed that (DAs) current budget does not adequately fund the institution's desire to accomplish its client service missions, as evidenced by lengthy waiting lists, over 100 staff vacancies, and the closure of valued community services. Indeed, the agency has budgeted no operating margin and very low days cash on hand ... we find that the agency has constructed a responsible budget that maintains needed community services, controls expenses while allowing limited compensation increases, and does so within the reality of limited revenue growth...Further, we believe that the underfunding and resulting understaffing of this institution results in substantial unmet needs, which in turn affects many Vermonters.”***
- The DA System collectively self-reports and self-monitors financial documents and health metrics.



# Total Margin %

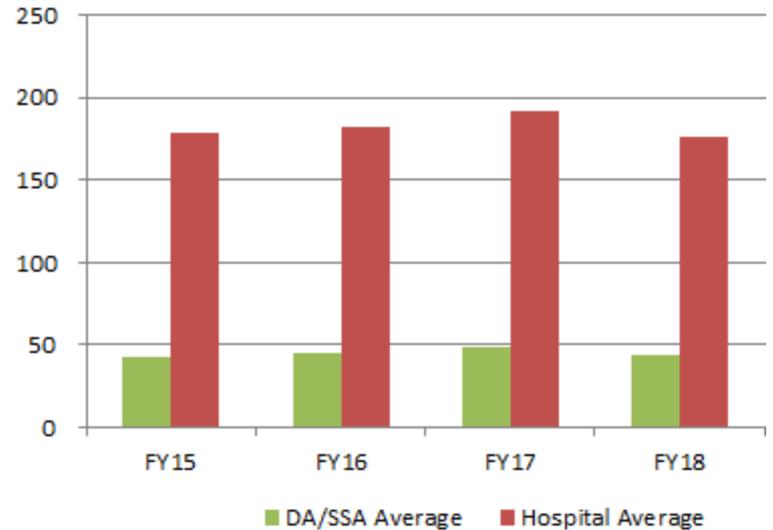
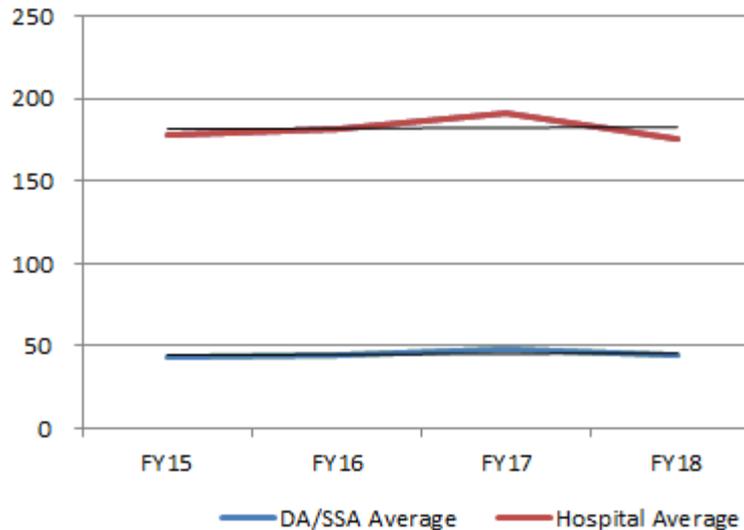
Fiscal Year	FY15A	FY16A	FY17A	FY18A	FY19*	5 -yr avg
CM	1.4%	1.3%	1.0%	0.5%	1.6%	1.2%
CSAC	1.1%	3.0%	0.9%	1.4%	0.9%	1.5%
NCSS	2.4%	1.8%	1.3%	1.1%	3.4%	2.0%
HCRS	-1.4%	-1.0%	1.9%	2.0%	0.9%	0.5%
HC	0.8%	0.3%	0.6%	2.6%	1.8%	1.2%
LCMH	1.6%	1.4%	0.9%	-0.8%	0.4%	0.7%
NFI	1.2%	2.1%	1.4%	1.8%	0.4%	1.4%
NKMH	1.0%	-1.0%	1.6%	2.2%	1.9%	1.2%
RMHS	-1.0%	0.2%	1.2%	0.1%	1.0%	0.3%
UCS	0.2%	1.2%	0.5%	1.6%	0.2%	0.8%
WCMH	-0.8%	0.9%	0.3%	0.2%	1.6%	0.5%
CCS (DS Only)	0.7%	-0.1%	1.6%	0.4%	0.7%	0.7%
FF (DS Only)	4.7%	3.2%	2.9%	2.3%	0.9%	2.8%
LSI (DS Only)	2.8%	2.5%	4.7%	3.0%	4.2%	3.4%
GMSS (DS Only)	0.0%	1.7%	2.2%	1.5%	-0.1%	1.1%
UVS (DS Only)	0.0%	0.4%	0.4%	0.3%	0.7%	0.3%
<b>System Total Margin%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.0%</b>

\*FY19 preliminary



# Days Cash on Hand

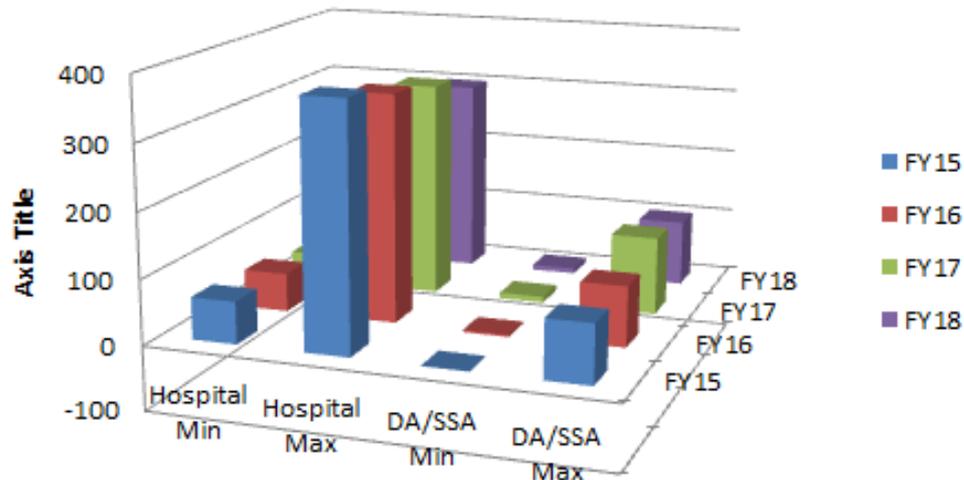
	FY15	FY16	FY17	FY18
DA/SSA Average	43	45	49	44
Hospital Average	179	182	192	176



# Days Cash on Hand - Range

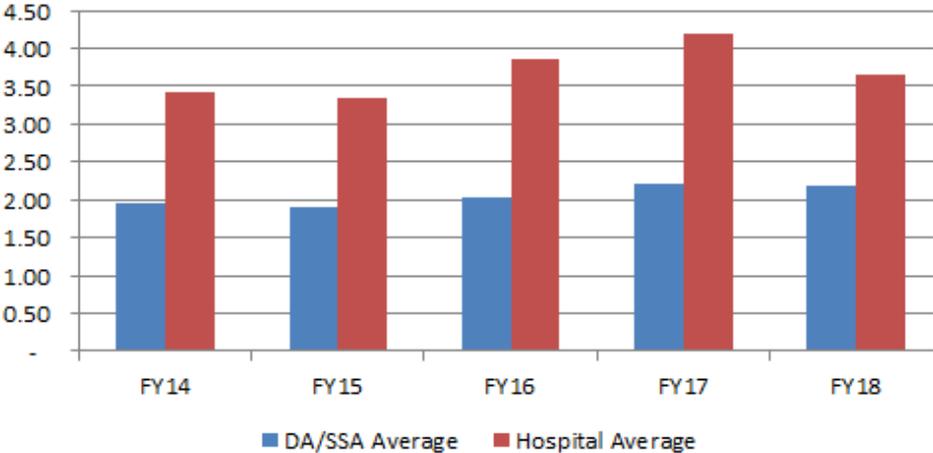
	FY15	FY16	FY17	FY18
Hospital Min	65	59	43	38
Hospital Max	375	350	331	300
DA/SSA Min	1	(3)	9	8
DA/SSA Max	90	93	119	102

**Days of Cash on Hand Range**



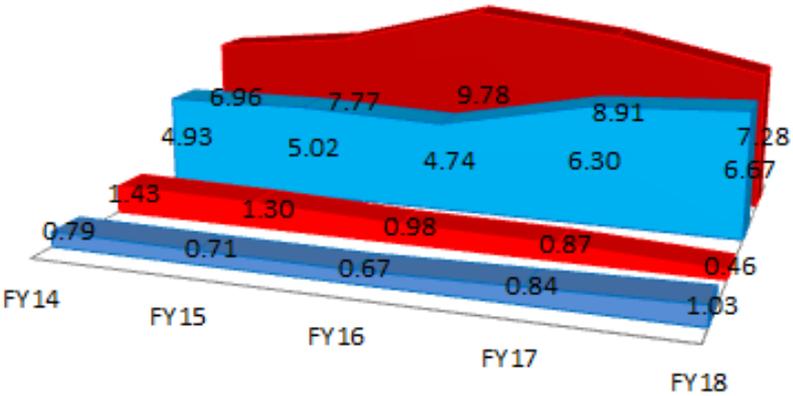
# Current Ratio

## Average Current Ratio

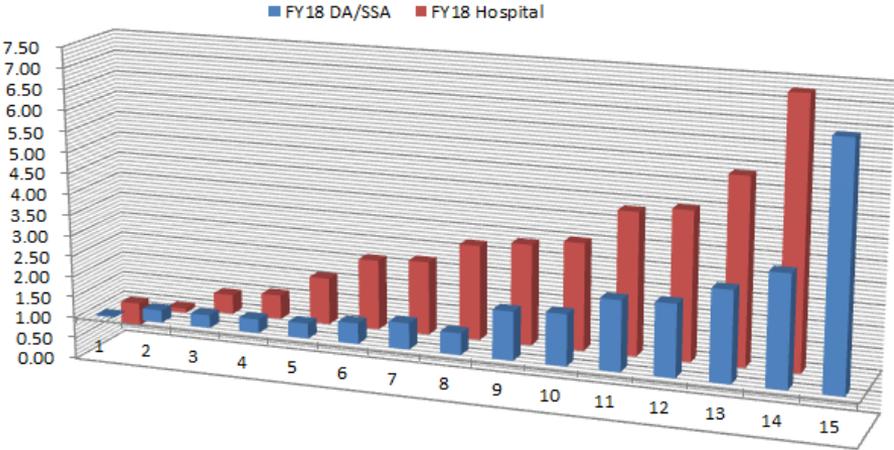


## Current Ratio Range

■ DA/SSA Min ■ Hospital Min ■ DA/SSA Max ■ Hospital Max



## FY18 Current Ratio



*1% minimum to cover short term obligations*





Designated Agency (DA)  
& Specialized Service Agency (SSA)  
Financial Assessment

December 6, 2019