



STATE OF VERMONT
AGENCY OF HUMAN SERVICES

MEMORANDUM

TO: Vermont Joint Fiscal Committee

FROM: Michael K. Smith, Secretary, Agency of Human Services *MKS*

DATE: October 19, 2020

SUBJECT: Request to Re-allocate CRF Health Care Provider Stabilization Funds for Program Administration

Total Amount Requested: \$680,000. The Agency of Human Services (AHS) is mid-way through administering the Health Care Provider Stabilization program. Excluding direct carveouts, this program reflects \$238.65 million in Coronavirus Relief Funds (CRF). This request is to reallocate funding from the Health Care Provider Stabilization grant program to help AHS continue to successfully administer the program.

Response to Pandemic: The Health Care Stabilization program is critical to ensuring that we stabilize Vermont's health care system, which has experienced increased costs and lost revenue due to the ongoing COVID-19 pandemic. For the first phase of health care stabilization, AHS pulled resources from across the agency to support this program. Though not all full-time, this reflects roughly 40 employees at AHS. As we prepare for Phase 2, which launched this week, AHS requires resources to ensure successful implementation of this program.

These specific funds will be used in the following manner:

1. **Call Center (\$50,000)** – For Phase 1 of the program, AHS did not have a call center and applicants had to submit questions via email. This created challenges for applicants and staff as inquiries were going to a variety of different points of contact throughout the Agency. To ensure greater access and timely communication, for Phase 2, AHS plans to leverage a contractual relationship to provide call center services for the three-week application period. Having call center resources dedicated to answering questions will allow for the Health Care Stabilization program to have a similar level of support as other CRF programs across State government.
2. **Continued Salesforce Development (\$450,000)** – Per the Agency of Digital Services (ADS), an additional \$450,000 is needed for development work related to updating the Salesforce platform for Phase 2. This includes funds to support the development contract as well as contractual and state staff to support development. Though ADS received an initial amount of CRF to support application development, those funds have been exhausted.

3. **Application Reviewers (\$180,000)** - For Phase 1, AHS pulled resources from across the agency, specifically drawing from business offices. However, AHS will need additional resources to ensure successful implementation of the dollars. As such, for Phase 2, AHS is planning to leverage contractual resources to provide financial staff to aid in the review of the applications. Given the complexity of the application and documentation, application review can be a time intensive process and requires specific areas of expertise.
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Urgency of Request: Phase 2 of the Health Care Provider Stabilization program opened today, October 19. AHS has begun to implement these resources to ensure a successful program rollout and expedient review of applications.

AHS proposes to treat these costs as part of the program funding since they are necessary to deliver this critical relief to health care providers. Through the first round, AHS issued roughly \$87M in grants leaving a balance of \$150 million. It is hard to provide a definitive estimate of underspend until the second phase closes on November 6, but AHS anticipates having funds to cover these needed administrative costs.